



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Special Meeting
January 24, 2023 at 5:00 pm

Place: Multiuse Room, Haberer Building
47 Courthouse Lane
Rustburg, VA 24588

A. CALL TO ORDER – Charlie Droog – Chairman - called the meeting to order at 5:00 P.M. with the Pledge of Allegiance and a Prayer.

A1. MEMBERS PRESENT

Charlie Droog, Chairman
Don Austin, Vice-Chairman
Carter S. Elliott, Jr.
Wilson Dickerson
Joe Kirkland
James Marstin (arrived at 5:15 p.m.)
Dan Richardson (via teleconference)

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Josh Pribble, Operations Superintendent
Wendy Meese, Accounting Manager
April Farmer, Technology Coordinator

Tim Wagner, P.E., Utilities Engineer (absent – family illness)

A3. OTHERS PRESENT

Roland Kooch, Davenport – Item D4.5
Ben Wilson, Davenport – Item D4.5

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Kirkland made a motion, seconded by Mr. Dickerson, that the Minutes of the December 16, 2022 Board Meeting be approved.

ACTION: Approved 6-0-1, with Mr. Marstin not present at the time of the vote.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Copies of the preliminary December 2022 reports were reviewed and are on file in the Authority office.

Detailed and summary reports were distributed with the packet since the Authority is halfway through the fiscal year.

Year to date:

Revenues:	\$ 3,955,314.23
Expenses:	\$ 2,865,941.75
Budgeted Capital:	\$ 1,461,100.00
Surplus/(Deficit) to date:	\$ 1,089,372.48/ (\$371,727.52)
Total "Unencumbered"	\$ 3,418,969.62
Bank Balance 12/31/22:	\$ 10,623,898.93

Mr. Meese briefly reviewed the financial statements, noting that operational expenses are less than budget projections and revenues are ahead of budget projections through December 2022. Capital Recovery Fees are well ahead of budgeted projections as development continues throughout the year.

There were some salary line items that are overspent this year, specifically at the Water Plant; however, Ms. Meese noted this line had been reduced greatly in FY23 since expenses at the Water Plant had fallen following the addition of the third shift in FY20. There have been a few instances, not only at the Water Plant but in the Maintenance Department, this fiscal year that has required Water Plant Operators to work additional hours to fill the water tanks and to assist with meter readings and lawn maintenance. The third shift is only scheduled Monday through Friday. Overtime at the Water Plant will be adjusted in the upcoming budget year to allow for emergencies.

There were some line items that staff knew would be overspent this fiscal year due to inflation exceeding budget projections and low supply of items such as chemicals. There were some lump sum categories that appear to be overspent but are paid early in the year as one payment for the entire year. Some examples of these line items are Insurance – General, Workers Compensation, and Fees and Charges.

VENDORS

New Vendors added in December 2022:

Capital One Trade Credit (Formerly Northern Tool)	P.O. Box 105525	Atlanta, GA
Kanawha Scales & Systems (Formerly Security Scales Service)	1519 11 th St., N.E.	Roanoke, VA

Final Bills (address available upon request):

Luther & Joanna Carson
Don Irby's Transmission

MOTION: Mr. Dickerson made a motion, seconded by Mr. Richardson, that the new vendor list for December 2022 be approved.

ACTION: Approved Unanimously.

D2. OPERATIONS REPORT

Mr. Pribble briefly reviewed the statistical and operation reports for December 2022. Copies of said reports are on file in the Authority office.

Treatment at the Otter River Water Plant was up 2.7 percent (12,686,000 gallons) compared to December 2021. Sales to the Town of Altavista have increased 22.6 percent (2,077,877 gallons) from the previous year. Sales to the East System have decreased by 19.0 percent (19,710,696 gallons). Usage in Naruna increased 12.5 percent (925,060 gallons) from the previous year. Overall water system usage increased 2.5 percent (11,729,159 gallons) to date this fiscal year compared to fiscal year 2022.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) decreased 35.1 percent (2,561,700 gallons) compared to last fiscal year. Wastewater sent to the City of Lynchburg for treatment increased 1.2 percent (1,158,353 gallons) from last fiscal year. The overall result was a decrease in wastewater treatment for the fiscal year of 1.4 percent (1,403,347 gallons) from last year.

There were 6 new water connections serving 6 units and 1 new sewer connection serving 1 unit in the month of December 2022 compared to 12 new water connections and 9 new sewer connections serving 24 and 21 units, respectively in December 2021.

There were 39 disconnections for non-payment of bills in December compared to 93 disconnections for non-payment in December 2021. Mr. Pribble stated the normal schedule would have had disconnections right before Christmas, so Authority staff postponed disconnections one week. The year-to-date number of disconnections through December 2022 reflects a decrease of 1 disconnections for FY23 compared to FY22. (As a reminder, the Disconnection Moratorium was in effect for a portion of FY22.)

The Authority had 8,862 metered water connections serving 14,225 units and 2,997 sewer connections serving 5,210 units as of December 31, 2022.

There were 570 travel points during the month of December 2022, which was an average of 29 stops per workday.

The Otter River was flowing at approximately 189 mgd on the meeting date and the record low for January 24th was 58 mgd in 2011. The median for January 24th was 200 mgd.

Concord Waterline Issue:

Mr. Pribble advised the Board of an issue of leaks on the Route 24 waterline that leads to Concord. There have been a series of holes in the line that Authority staff believes may be a manufacturer defect in the pipe. Over the two and a half weeks prior to the meeting date, there have been seven water leaks in the Concord waterline. Three of the recent leaks have been in the same location that experienced issues over the last couple of years; however, three leaks have been in another location but are close together and then there was an isolated leak in a third location of the Concord waterline. All seven of these leaks are in pipe from the Griffin Pipe (acquired by U.S. Pipe in early 2014).

Mr. Wells has made contact with representatives of US Pipe, the manufacturer of the pipe used for the Concord waterline. A representative from US Pipe gave Mr. Wells the name of a firm that will investigate leaks of this nature to determine if the leaks are the result of a manufacturer defect or another issue such as the composition of the soil surrounding the waterline. Corpro is a company based in Texas that can perform an "in place" evaluation of both the pipe and the area around the pipe. If Corpro finds that there is corrosion in the soil, a pipe of a different material will be necessary. Authority staff is awaiting an estimate of the cost for representatives from Corpro to visit the site for approximately one week to perform the evaluation. This evaluation will be performed in conjunction with US Pipe.

In response to a question raised by Mr. Elliott, Mr. Pribble stated it appears the outer coating of the pipe is coming off around some of the holes, but some of the holes look like the weakness is internal. Mr. Pribble stated that removing a portion of the pipe was planned if there were issues with the waterline again; however, when the first leak in this cycle occurred, Maintenance staff was already working to resolve issues with the Concord Control Vault which fills the Concord and Appomattox tanks. In response to a question raised by Mr. Marstin, the leaks are being repaired using repair clamps; however, the Authority is running low on repair clamps in inventory.

In response to a question raised by Mr. Marstin, Corpro will have to visit the site in person to analyze the soil surrounding the waterline and any other outside influences on the pipe in question that could be contributing to the situation. Authority staff or the Authority's Contractor, Toney Construction, will need to expose a portion of the pipe for testing while Corpro is on-site. If a section of the pipe was removed and shipped to Corpro in Texas for evaluation, Corpro could evaluate the pipe but could not evaluate other factors that could be causing the leaks.

In response to a question raised by Mr. Elliott, the Authority will enter into a contract with Corpro and will pay Corpro directly. Corpro should be unbiased to US Pipe. If the pipe is found to be defective, the Authority will contact US Pipe to negotiate how to settle the issue. This ductile iron waterline was constructed in 2009 and extends ten to twelve miles, but the section of pipe the Authority is experiencing issues is approximately 1,200 feet. Mr. Wells stated it is uncommon for a pipe this new to have the type of failures and the number of failures that are being experienced. Authority staff feels that a third party can help identify the problem and present a viable solution.

In response to a question raised by Mr. Kirkland, the pipe is leaking in random spots along the pipe, not in the joints. Whenever the line needs to be repaired, Authority staff has to shut the water off to the area, which relaxes the pipe and then puts pressure back on the pipe when water is reestablished. This action cannot be avoided but may contribute to additional leaks.

D3. ENGINEERING REPORT

The Construction Activities Report was presented for the Board's review, consideration, questions, and comments. Mr. Wells presented the Report in Mr. Wagner's absence.

The first seven projects listed on the report have been constructed and placed in service and are in various stages of the close-out process.

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station and Force Main

This project was advertised for bid on December 18, 2022. The mandatory pre-bid meeting has been held. Bids are due February 16, 2022.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer

Staff has reviewed preliminary plans for this project; however, Hurt & Proffitt is still working to finalize the project design.

80-2206 Home2Suites Motel

Shop drawings have not yet been received as of the meeting date.

80-2205 Liberty University Aviation Maintenance Facility

This project is near completion; however, the Contractor is waiting on a 2" meter.

80-2104 Castle Craig Water System Replacement

All the services that were on the abandoned system have been switched to the Authority system. Authority staff is working on the close-out procedure for this project.

In response to a question raised by Mr. Kirkland, changing the material of the pipe reduced the cost of the project by approximately \$100,000 as well as sped up construction of the project.

80-2204 Merryman Parcels Off-Site Sewer (The Allure)

The first bore attempt failed. The Contractor is working on a second bore attempt using 16-inch steel casing.

80-2212 Blue Ridge Commons – Section 2

The Contractor is waiting on drawings to proceed.

80-2208 Merryman Parcels On-Site Water and Sewer (The Allure)

The Contractor is progressing as well as possible in the mud from recent weather.

80-2215 Absolute Storage (Combined with Chick-fil-A)

This project is progressing. Authority staff has received the video sewer inspection but has not had the chance to review it as of the meeting date.

80-2101 Trent's Landing – Section 3

This project was approved by the Board at the December meeting. Construction on this project will begin soon.

80-2214 Office Renovation Project

This project has started. The two Construction Inspectors are working in the Authority Board room. Demolition is complete and the back of the office is currently one big room. The Contractor is optimistic that construction will be complete by Memorial Day.

General

In response to a question raised by Mr. Elliott, Authority staff is uncertain if a Sonic is coming to Campbell County.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Activities Calendar – Attached and is on file in the Authority office.
2. Next Board Meeting – Tuesday, February 28, 2023 at 5:00 p.m. at the Citizen Services Building.
3. 2021 Fluoridation Award – The Otter River Water Treatment Plant has again been recognized by the U.S. Department of Health and Human Services, Centers for Disease Control (CDC) for consistently providing drinking water with optimal fluoride levels for preventing tooth decay.
4. Letter of Appreciation, Castle Craig – A letter of appreciation was received from the Castle Craig community and was shared via email with Authority and some County

staff. Several Authority staff worked harmoniously to get these people connected to the CCUSA water system in an accelerated time frame during the midst of unprecedented global supply chain issues. Those actions speak volumes about their professional expertise and unwavering dedication to the residents of Campbell County.

Mr. Droog stated he would also like to thank Authority staff for the work performed to make the Castle Craig Project move forward quickly and efficiently. Mr. Droog stated he would like to thank Mr. Wagner specifically for the work Mr. Wagner devoted to the project.

Mr. Richardson stated that a letter should be sent to VDH from the Authority thanking VRA for the financing that made the Castle Craig Project possible.

5. Financial Policies – A work session was held prior to the November 2022 Board meeting to discuss financial policies. Mr. Roland Kooch and Mr. Ben Wilson from Davenport & Company, LLC (“Davenport”) were in attendance at the work session to present information on typical financial policies for entities like CCUSA and solicited feedback from the Authority Board. After that meeting, Davenport prepared draft financial policies and has been working with Authority staff to finalize edits. The Financial Policy covers the Authority budget, capital planning, construction in progress, debt, and investments. The Financial Policies are not meant to make changes to the Authority’s currently procedures but is meant to formalize the practices already in place for outside entities, such as lenders, to have information on Authority procedures.

Mr. Kooch and Mr. Wilson were in attendance to discuss the proposed CCUSA financial policies, solicit comments, and entertain Board consideration, as appropriate. The main purpose of a financial policy is to have guidelines to avoid financial crisis and solidify the practices the Authority has followed for the past several years to ensure that sound financial policies will continue even as Authority staff and Board changes over time. Lenders look favorably on an entity that has financial policies in place. The proposed financial policies are on file in the Authority office.

One of the procedures addressed in the Financial Policy is the annual rate analysis that is prepared by staff and presented to the Authority Board each year. Mr. Kooch stated that it is good practice for the rate analysis to be performed by an outside firm from time to time, with the suggestion being every five to seven years. The Financial Policy does not state that an outside firm MUST present the rate analysis, but just advises that it is good practice.

Financial metric guidelines are included in the Financial Policy as “targets” that are looked favorably on by lenders, such as “Days Cash on Hand” and ensuring adequate liquidity. The industry standard target for Days Cash on Hand is 275 days. The Financial Policy outlines guidelines for using reserves and the use of debt.

The Financial Policies should be reviewed annually or bi-annually and can be amended and/or updated from time to time.

As a follow-up to the Financial Policies, Mr. Kooch stated that he and Mr. Wilson will be evaluating investment options in the near future. Investments are governed by the Authority’s Bond documents which are slightly more restrictive than the Code of Virginia.

In response to a statement made by Mr. Dickerson, the Financial Policies were revised to soften the narrative from “shall” and “will” to “may”. The Financial Policies are not meant to be restrictions but are guidelines. In response to a question raised by Mr.

Elliott, there are no penalties implemented by the Financial Policies if the guidelines are not followed.

In response to a question raised by Mr. Elliott, Authority checks only require one signature. Ms. Meese stated only one signature has been required for at least 23 years. Ms. Meese stated that the Authority has increased the number of employees authorized to sign checks to ensure that checks are issued on a timely basis. There have been a few instances in the past that authorized signers are out of the office and checks cannot be issued until at least one of the employees returns. If an emergency arises, the Board Chairman can be called to sign a check, but if two signatures were required, it would not be possible to issue a check in an emergency. The current procedure requires at least three employees to review the check before a check is issued. When goods are received, the packing list is coded and signed by the Department head that requested the materials, this signed packing list is then given to Accounts Payable; when Accounts Payable receives an invoice, the invoice is matched to the packing list that has been approved and a check is issued; the check with all supporting documentation is given to the Accounting Manager, who reviews all documents and signs an approval block on the invoice; the Accounting Manager gives all documents to the authorized signer (usually the Executive Director) to review before signing the check. Currently, the authorized signers are the Executive Director, the Treasurer, the Chairman of the Board, and the Utility Engineer. The position of Utilities Engineer was recently given authority to sign checks. Each stage of the process is time consuming and is taken very serious by the employee responsible for each step. Mr. Elliott stated that he feels checks should require two signatures. In response to a question raised by Mr. Droog, the current process is acceptable to the Authority's Auditors. In order to maintain separation of duties, neither Accounts Payable or Accounting Manager are allowed to sign checks because the authorization of those two positions are required earlier in the process. In response to a question raised by Mr. Kirkland, this process will be added to the Financial Policy.

In response to a question raised by Mr. Elliott, the Board Chairman is not currently required to sign off on investments made; however, Authority staff plans to discuss investment strategies with the Board prior to investments being made. The Board Chairman is required to sign Bond documents and Resolutions, but normally is not required to sign any documents for investments. Ms. Meese stated past Board Minutes will be reviewed to see if approval has been required in the past. Mr. Elliott stated he would like the Board Chairman to have to sign-off for an investment to be made. Mr. Richardson stated that, if the Chairman is not available, the Vice-Chairman should sign-off on the investment. This procedure will be added to the Financial Policy.

6. Legislative Update – As of January 13th, there were 2,113 bills and resolutions introduced. The last day to introduce bills is Jan. 20th. VWWAA and VAMWA are holding weekly calls to update members on the status of bills of interest. Authority staff will monitor this weekly and report on any bills of interest. As of January 17th, through the Authority's associations, we are monitoring 70 bills of interest, opposing 4 bills, and supporting 7 bills. February 7, 2023 is the crossover, which means that the details of the bills will be ironed out and changes can be made. It is also possible some bills will "die" during the crossover. February 23, 2023 is the late date to take action on the bills before the session ends on February 25, 2023. Preston Bryant with McQuireWoods law firm and Chris Pomeroy with AquaLaw work with VAMWA and VWWAA to ensure any bills of concern are monitored closely.

The Authority and the industry are supporting House Bill 1485 and Senate Bill 1129 Both of these bills deal with nutrient loading that affects the Chesapeake Bay. These bills will extend the deadline for the Chesapeake Bay Watershed Implementation Plan

from 2026 to 2030. The Wastewater Treatment Facilities that are considered point-source pollutants have been successful with nutrient loading, but the agricultural point-source pollutants have not made as much progress. Postponing the deadline should allow the agricultural sites to catch up with the improvements that have been made by the wastewater sites. While the industry supports the bill, the bill is being monitored to ensure no changes are made that will increase requirements on the side of the wastewater point-source sites. Chesapeake Bay initiatives impact the City of Lynchburg, which affects the Authority.

The Authority is also supporting House Bill 1940, House Bill 1384, House Bill 2180, Senate Bill 1213, Senate Bill 999. These bills deal with regulations and reciprocity for DPOR practices. These bills are attempting to make DPOR more relaxed in allowing folks from out of state to bring experience and certifications into Virginia and get similar certifications. This will make it easier for the Authority to recruit operators from out of state if the need arises.

There are four bills that the industry opposes. Senate Bill 1013 is related to PFAS and how a utility would notify affected customers. If a PFAS compound is identified in a public water supply, the utility would be required to mail letters to the affected customers and publish the notification in a newspaper of general circulation in the affected area within 24 hours. The bill also requires the same process if you have a hit from any other contaminant that is regulated by the EPA. Mr. Wells stated the other contaminants are already regulated with EPA through VDH and the Office of Drinking Water, so this bill is redundant and overburdensome.

SB 954 and HB 1957 are both related to design-build contracts. Since the Authority does not have many design-build contracts, staff is not necessarily opposed to these bills; however, the industry is concerned because it would take away the flexibility of allowing design-build projects. There are many state agencies that are opposed to this bill, so these bills will not likely pass.

Senate Bill 849 would require a utility to obtain permission from each property owner before installing a “smart meter” to serve said property. Radio read meters used by the Authority are considered smart meters. Not only will this affect the placement of meters in the future, but it would also be retroactive. Authority staff would have to contact each property owner and request permission for a smart meter to be used to serve the property. If the homeowner does not give permission, Authority staff would have to change out the radio read meter for a standard meter at the Authority’s expense. Electric companies are also opposed to this bill because it applies to them as well. Mr. Wells stated this bill will likely die or be tabled.

Mr. Elliott stated that Mr. Wells should arrange a meeting with the local legislators prior to the next General Assembly.

7. Teleworking Report – In response to a question raised by Mr. Droog, Mr. Wells plans to put together a report to update the Board when employees had worked from home over the last year. The Board directed that reporting from this point forward would be appreciated but going back over the last year is not necessary. Mr. Wells stated that not many employees telework, and teleworking is rare for Authority employees. The Board directed that the report only be retroactive to January 1, 2023 and this information be reported monthly.
8. Invoice Cloud Update – The Authority has been offering Invoice Cloud as an online payment option for about the last 18 months. For calendar year 2022 which was the first full year of using Invoice Cloud, approximately 13,600 transactions were processed accounting over \$1.3 million or approximately 17 percent of the Authority’s

annual revenue. Approximately 1,081 accounts have enrolled in paperless billing with around 400 customers are enrolled in autopay. Autopay does not include automatic payment arrangements that a substantial number of customers have with their banking institutions or the approximately 650 grandfathered customers on the old autopay system.

In response to a question raised by Mr. Austin, there is a fee of \$3.95 to use Invoice Cloud, whether online or autopay. There is no fee issued by Invoice Cloud if a customer initiates payment directly from their bank.

9. Inactive Accounts with a Debit Balance Report - Legislation went into effect July 1, 2012 that required the Authority to charge deposits on new accounts to retain the right to place liens for unpaid bills. The CCUSA Board opted not to adopt a deposit policy, instead it was decided that the Account Establishment Fee would be increased from \$25.00 to \$50.00. With \$25 set aside to cover inactive account losses. Below is the annual summary of the losses and revenue collection since 2012.

INACTIVE ACCOUNT LOSES PER FISCAL YEAR			
	Outstanding	Increase Amt	Increase %
FY 12	\$ 912.40	\$ -	
FY 13	\$ 14,595.67	\$ 13,683.27	1499.7%
FY 14	\$ 17,094.67	\$ 2,499.00	17.1%
FY 15	\$ 26,820.50	\$ 9,725.83	56.9%
FY 16	\$ 12,881.70	\$ (13,938.80)	-52.0%
FY 17	\$ 15,710.83	\$ 2,829.13	22.0%
FY 18	\$ 12,059.38	\$ (3,651.45)	-23.2%
FY 19	\$ 24,705.48	\$ 12,646.10	104.9%
FY 20	\$ 12,324.66	\$ (12,380.82)	-50.1%
FY 21	\$ 13,565.03	\$ 1,240.37	10.1%
FY 22	\$ 19,282.04	\$ 5,717.01	42.1%

OFF-SET REVENUE COLLECTION PER FISCAL YEAR			
	Collected	Outstanding Accts *	Net
FY 12	\$ -	\$ 912.40	\$ (912.40)
FY 13	\$ 19,987.14	\$ 14,595.67	\$ 5,391.47
FY 14	\$ 20,645.44	\$ 17,094.67	\$ 3,550.77
FY 15	\$ 26,550.00	\$ 26,820.50	\$ (270.50)
FY 16	\$ 24,825.00	\$ 12,881.70	\$ 11,943.30
FY 17	\$ 26,547.60	\$ 15,710.83	\$ 10,836.77
FY 18	\$ 23,962.14	\$ 12,059.38	\$ 11,902.76
FY 19	\$ 24,725.00	\$ 24,705.48	\$ 19.52
FY 20	\$ 28,818.15	\$ 12,324.66	\$ 16,493.49
FY 21	\$ 31,750.00	\$ 13,565.03	\$ 18,184.97
FY 22	\$ 33,725.00	\$ 19,282.04	\$ 14,442.96
			\$ 91,583.11

*Outstanding Accounts do not include liens that have been placed (when allowed)

**Brownstone Properties and Lynchburg Renting are still ensuring their renters are paying final bills. Ms. Staton also added that Blackwater Properties (formerly WFLP Property Management) and Hill City Rentals are following up on final bills of their renters as well.

E. BOARD ACTION ITEMS

E1. BLUE RIDGE LANE 50/50 PROJECT

Authority staff received an inquiry from a resident of Blue Ridge Lane about the availability of water to residents adjacent to Blue Ridge Lane. A letter of interest was sent to six residences to gauge interest in extending a waterline. Two residents responded and have verbally committed to providing the residents' share of construction costs. A map showing the route that the proposed waterline extension would follow was distributed and is on file in the Authority office. Fire protection would continue to be provided by the hydrant located near Boxwood Court. The project would extend 340 feet of four inch and 300 feet of two-inch waterline down Blue Ridge Lane with a flushing hydrant near the cul-de-sac. Toney Construction provided an estimated project cost of \$56,240, with 50% being paid by the Authority and 50% being paid by the residents. The Authority share of the project would come from unencumbered funds.

In response to a question raised by Mr. Droog, if one of the four remaining residents decides to make connection to the extension after the project is completed, an Aid-to-Construction Fee would be collected from the new applicant and distributed to the initial project participants. This Aid-to-Construction policy would be in place for ten years.

In response to a question raised by Mr. Marstin, the four inch line should be sufficient because there is no potential for future waterline extensions in the area. Increasing the line to a six inch line would cost more for the participating residents and would require flushing to provide adequate water turnover.

In response to a question raised by Mr. Dickerson, the waterline will be placed in the VDOT right-of-way.

MOTION: Mr. Ricardson made a motion, seconded by Mr. Dickerson, that the Authority proceed with the Blue Ridge Lane waterline extension as a 50/50 project.

ACTION: Approved Unanimously.

F. MATTERS FROM THE BOARD

No items were discussed.

G. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Richardson, that the Authority meeting be adjourned at 6:34 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. Austin, seconded by Mr. Kirkland, these minutes are approved this 28th day of February, 2023, with 7 of 7 members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Special Meeting
February 28, 2023 at 5:00 pm

Place: Citizens Services Building
85 Carden Lane
Rustburg, VA 24588

A. CALL TO ORDER – Charlie Droog – Chairman - called the meeting to order at 5:00 P.M., beginning with the Pledge of Allegiance and a Prayer.

A1. MEMBERS PRESENT

Charlie Droog, Chairman
Don Austin, Vice-Chairman
Carter S. Elliott, Jr.
Wilson Dickerson
Joe Kirkland
James Marstin
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison	(left a 6 P.M. for County meeting)
Clif Tweedy, P.E., Deputy County Administrator	(left a 6 P.M. for County meeting)
Jeff Wells, P.E., Executive Director	
Tim Wagner, P.E., Utilities Engineer	
Josh Pribble, Operations Superintendent	
Wendy Meese, Accounting Manager	
April Farmer, Technology Coordinator	
Vanessa Brown, Office Manager	

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Austin made a motion, seconded by Mr. Kirkland, that the Minutes of the January 24, 2023 Board Meeting be approved.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Copies of the preliminary January 2023 reports were reviewed and are on file in the Authority office.

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 4,772,952.95
Expenses:	\$ 3,396,514.98
Budgeted Capital:	\$ 1,461,100.00
Surplus/(Deficit) to date:	\$ 1,376,437.97/ (\$84,662.03)
Total "Unencumbered"	\$ 3,609,201.50
Bank Balance 1/31/23:	\$ 10,968,805.09

VENDORS

New vendors added in January 2023:

Timberlake Outdoor Power Equipment 21287 Timberlake Road Lynchburg, VA

Final Bills (address available upon request):

Larry G. Epperson
Haven Thomas
William A. Royer

MOTION: Mr. Richardson made a motion, seconded by Mr. Dickerson, that the new vendor list for January 2023 be approved.

ACTION: Approved Unanimously.

D2. OPERATIONS REPORT

Mr. Pribble briefly reviewed the statistical and operation reports for January 2023. Copies of said reports are on file in the Authority office.

Treatment at the Otter River Water Plant was up 3.3 percent (18,263,000 gallons) compared to January 2022. Sales to the Town of Altavista have increased 23.3 percent (2,135,705 gallons) from the previous year. Sales to the East System have decreased by 16.5 percent (19,252,920 gallons). Usage in Naruna increased 11.1 percent (972,238 gallons) from the previous year. Overall water system usage increased 3.1 percent (17,297,753 gallons) to date this fiscal year compared to fiscal year 2022. In response to a question raised by Mr. Marstin, the usage in the East System was high in 2022 due to a

leak that was undetected for a few months during FY22. The high usage due to that leak makes 2023 usage appear low.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) decreased 19.7 percent (1,686,000 gallons) compared to last fiscal year. Wastewater sent to the City of Lynchburg for treatment increased 2.3 percent (2,752,255 gallons) from last fiscal year. The overall result was an increase in wastewater treatment for the fiscal year of 0.8 percent (1,066,555 gallons) from last year. In response to a question raised by Mr. Marstin, the decline in the sewer treatment at the Rustburg Wastewater Treatment Plant is due to the Regional Jail being closed for the last several months.

There were 33 new water connections serving 57 units and 30 new sewer connections serving 54 units in the month of January 2023 compared to 4 new water connections and 3 new sewer connections serving 4 and 3 units, respectively, in January 2022.

There were 63 disconnections for non-payment of bills in January compared to 40 disconnections for non-payment in January 2022. Mr. Pribble noted that most of the new connections in the month of January located in English Commons (25 townhomes and 1 master metered apartment building serving 25 apartments). The year-to-date number of disconnections through January 2023 reflects an increase of 22 disconnections for FY23 compared to FY22. (As a reminder, the Disconnection Moratorium was in effect for a portion of FY22.)

In response to a question raised by Mr. Richardson, Authority staff is planning to add software in FY24 called NOTIFY that will allow Authority staff to easily contact customers via text message, e-mail, or an automated voice message to advise of bills becoming due or will contact affected customers if there are planned outages or leaks in the customer's area. Ms. Farmer stated that customers will be responsible for updating contact information in the NOTIFY system. NOTIFY will require a start-up fee of \$5,000 and a \$175 monthly fee and is included in the proposed budget for FY24.

The Authority had 8,895 metered water connections serving 14,282 units and 3,027 sewer connections serving 5,264 units as of January 31, 2023.

There were 677 travel points during the month of January 2023, which was an average of 34 stops per workday.

The Otter River was flowing at approximately 280 mgd on the meeting date and the record low for February 28th was 50 mgd in 2002. The median for February 28th was 270 mgd.

In response to a question raised by Mr. Droog, there have not been any more leaks in the Route 24 waterline since the January 2023 meeting.

D3. ENGINEERING REPORT

The Construction Activities Report was presented for the Board's review, consideration, questions, and comments.

80-1904 Emberly Way Villas

Staff has requested close-out information for this project but has not yet received it. Authority staff also needs to double-check the punch list items to make sure each item has been completed satisfactorily.

80-2002 English Commons On-Site Water and Sewer

This project is almost complete; however, the Contractor had to relocate a few services on buildings U and W.

80-2004 Wards Road Bridge over NS Railroad

Authority staff will request close-out information once VDOT has issued substantial completion on this project.

80-2009 Rustburg Middle School Water and Sewer improvements

An as-built survey has been received, but record drawings have not yet been received. Mr. Wagner has requested the record drawings from Mr. Bill Gillespie.

80-2102 Carriage Grove Section 3C

Some of the information for close-out has been received but has not yet been reviewed by Authority staff.

80-2003 Lynchburg Airport Rangoon Road Meter

Authority staff needs to request record drawings for this project.

80-2105 Village Drive Patio Homes

This project is under construction. The lower part of the project is complete, and the Contractor is working on the upper part of the project.

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station and Force Main

Bids for this project were due February 16, 2023; however, no bids were received. Mr. Wagner stated this has never happened in his career. Mr. Wagner contacted contractors and were told that everyone is busy and did not have the necessary staff to commit to the project. Another reason given for no bids is that, since everyone is so busy, contractors did not want to bid on a project that had federal money that requires additional paperwork requirements, specifically related to the American Iron and Steel Act and the Davis Bacon Act. Mr. Wagner stated the City of Lynchburg and Western Virginia Water Authority both had bids due recently and neither entity received a qualified bid for their projects either.

Mr. Wagner stated Authority staff will wait a few months and divide this project into two separate projects to see if there is a better response. The force main and gravity sewer will be readvertised as one project in May 2023; and the pump station as a stand-alone project will be readvertised in October 2023.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer

Staff has reviewed preliminary plans for this project; however, Hurt & Proffitt is still working to finalize the project design.

80-2206 Home2Suites Motel

Shop drawings have been approved and construction has started.

80-2205 Liberty University Aviation Maintenance Facility

This project is complete. Authority staff needs to request closeout information.

80-2104 Castle Craig Water System Replacement

This project is substantially complete; however, final invoices have not been received from Toney Construction or Hurt & Proffitt as of the meeting date. As soon as all of the project costs have been paid, Authority staff can work on closing the project.

80-2204 Merryman Parcels Off-Site Sewer (The Allure)

The first bore attempt failed. The Contractor is working on a second bore attempt using 16-inch steel casing.

80-2212 Blue Ridge Commons – Section 2

The Contractor is in the process of testing the water and sewer lines.

80-2208 Merryman Parcels On-Site Water and Sewer (The Allure)

The Contractor is in the process of testing the water and sewer lines.

80-2215 Absolute Storage (Combined with Chick-fil-A)

All water and sanitary sewer services are complete. Construction of the building and parking lot are underway.

80-2101 Trent's Landing – Section 3

Construction on this project will begin soon.

Royal Farms

This is a convenience store that will be constructed at the intersection of Route 24 and Route 29. All initial fees have been paid. This project is not included on the Construction Activity Report because it is only a 1-inch water service and a 6-inch sewer service.

80-2214 Office Renovation Project

This project is going well. All the windows are in place and the store-front double doors were placed February 27, 2023. The Contractor will soon be working to remove siding outside the windows. The drywall subcontractor should be on-site soon. Construction will be complete by Memorial Day; however, there is a two-month lag for the new HVAC rooftop unit.

Martin Drive Wastewater Pump Station

The Authority has applied for ARPA money to fund the Authority's share of construction costs for the Martin Drive Wastewater Pump Station, gravity sewer, and force main. Thomas Builders of Virginia, a private developer who is developing a multi-family residential development near Leesville Road, has the option to construct a private wastewater pump station; however, the Authority would benefit from sharing in the project so the pump station can open a portion of the County to new customers. The Authority would construct a "regional" wastewater pump station and the Developer would contribute the same amount that would have been used to construct a private wastewater pump station. DEQ plans to advise if ARPA money would be awarded to the project by March 1, 2023 or shortly thereafter.

D4. DIRECTORS REPORT

1. Activities Calendar – Attached and is on file in the Authority office.
2. Next Board Meeting – The possibility of meeting at the Citizens Services Building, the Timbrook Library on Timberlake Road, or at Ms. Farmer's church on Timberlake Road were discussed. The Board stated a preference for the Citizen Services Building until the conference room at the Authority office is available. Mr. Clif Tweedy stated that the conference room at the Haberer Building has been reserved for the rest of the calendar year for the Authority Board meetings; however, he could reserve the conference room at the Citizen Services Building for each month, if it is available. The Board concurred that the conference room at the Citizen Services Building is the preference, second would be the conference room at the Haberer Building.

The next meeting will be held Tuesday, March 28, 2023 at 5:00 p.m. at the Citizen Services Building in Rustburg.

3. 2023 Telework Report – Reports of telework activities during 2022 and 2023 were distributed for review and are on file in the Authority office. The Board requested the Telework Report be presented on a monthly basis until the end of the year.
4. Check Signature – During the January Board meeting a question was raised about the number of signatures required on checks issued by the Authority. Authority staff researched the history of the number of authorized check signers. Since at least 1992, only one signature has been required on Authority checks. Authority staff used to distribute the bank statement and check register each month with the monthly reports, but this was discontinued around the same time the position of the Accounting Manager was created in 1999. Prior to 1999 only two Authority staff handled checks, but when the Accounting Manager position was created, the number of Authority staff to review checks increased to three.

In response to a question raised by Mr. Ricardson, the drawbacks to having a second signature is: having the Board Chairman come by the office on a weekly basis at a minimum (sometimes checks are issued more than once a week), and that adding a person to the process may delay checks being mailed in a timely manner to avoid late fees. Mr. Richardson stated he prefers two signatures be required on Authority checks; however, he is satisfied with the current check approval process if the Bylaws are changed to state only one signature is required. Mr. Elliott stated he would prefer two signatures being required on all checks.

Mr. Marstin stated that the Bylaws and the Financial Policy should match the procedure Authority staff follows. Mr. Marstin, Mr. Dickerson, Mr. Austin, Mr. Kirkland, and Mr. Droog stated they are satisfied with the current check approval process.

Changing the Bylaws requires a resolution by the Authority Board. Revisions to the Bylaws will be presented in the next month or two.

In response to a question raised by Mr. Kirkland, a procedure for the receipt of goods will be added to the procurement policy that states delivery of orders and processing the packing slip to Accounts Payable must be handled by a different employee than the employee that placed the order for goods.

MOTION: Mr. Kirkland made a motion, seconded by Mr. Dickerson, that the Bylaws be changed that only one signature is required on Authority checks and that the Special

Notice be removed from the current Financial Policy, and that the Procurement Policy be updated to include the procedure to ensure separation of duties on receipt of goods.

ACTION: Approved 5-2, with Mr. Elliott and Mr. Richardson voting in the negative.

5. Financial Policies – At the January Board meeting, Davenport presented the proposed CCUSA financial policies, solicited comments and received feedback from the Board. The investment and check signature sections were edited based on direction received from the Board. The “shall” and “will” statements were reworded to soften the feel of the document. The revised financial policy is on file in the Authority office.

Mr. Richardson suggested a change that specifies project expenses ***should***, regardless of funding, be warranted and that there are no other funding options. Mr. Richardson stated the Hat Creek Well System as an example of a project that was prompted from an external source that used public money on a project that could have had better options. Not only should the initial funding of the project be warranted, but the on-going maintenance expense should also be considered.

Mr. Wagner stated that external consultants considered for future rate analysis should not be limited to Engineers: there are other professionals capable of preparing a rate analysis on behalf of the Authority. Mr. Wagner also stated that that word “citizens” should be replaced with the word “customers” because it is not economically feasible for the Authority to serve all of the citizens of Campbell County.

A clean copy of the Financial Policy with all recommended changes will be distributed for review at the March Board meeting for approval.

6. Legislative Update – The Legislative session ended on February 25th. Mr. Wells stated that legislation requiring DPOR to issue reciprocal licenses for water and wastewater operators without examination when the applicant holds a comparable out of state license will go to the Governor. Legislation requiring industrial users of publicly owned treatment works which clean, repair, refurbish or process items that contain PFAS to test and report on waste streams before and after such activity. A final legislative tracker summary will be provided at the meeting. The Governor’s proposed amendments to the budget are still being debated. The existing budget provides for a 5% pay increase with the proposed amendments adding an additional 2%.

E. BOARD ACTION ITEMS

E1. Rate Analysis

The proposed timeline is:

February meeting	presentation of the Preliminary Rate Analysis for direction
March meeting	Discuss Rate Analysis and determine if an increase should be advertised; two Board members will be selected for the Budget Committee
April meeting	presentation of the Budget by staff and Budget Committee
May meeting	Hold a Public Meeting and then vote on rate increases

Ms. Meese presented the Preliminary FY24 Rate Analysis. Staff is working on the budget, which is approximately 80 percent complete, including the Capital Budget.

Two options were presented for rate increases over the next five years: one proposal had a small rate increase for both water and sewer over the next five years with a \$1 increase in the water base fee in FY24 and a \$1 increase in the sewer base fee in FY27. The second proposal was to implement three larger increases for both water and sewer usage fees in FY24, FY26 and FY28. The second proposal also includes a \$2 increase to both the water and sewer base fees in FY24 and an additional \$1 increase to both the water and the sewer base fees in FY26. The proposals end the five-year cycle with very similar overall effects on customers' bills, with the alternating option having lower usage rates but higher base fees.

Ms. Meese stated that the pandemic has led to increases in costs beyond Authority's projections in FY23. Some items, such as water treatment chemicals, have greatly increased in price and are sometimes hard to find. Many of the Authority's operational expenses are experiencing unprecedented increases. The operational budget has been self-supporting for the last several years and projected deficits have been a result of capital projects exceeding projected Capital Recovery Fees; however, the recent increases experienced in operational expenses have resulted in projected operational deficits.

Ms. Meese noted that application fees for ongoing projects are projected to be much higher in FY24 and FY25. Staff is continuing the practice of being conservative when projecting application fees for proposed projects; however, there are many multi-phase projects that are currently underway. The projected Water and Sewer Capital Recovery Fees for FY24 are the highest that staff has ever budgeted.

Ms. Meese stated that, pursuant to direction received from the Board during the FY23 Rate Analysis, combined surpluses from previous years of \$2 million were used to off-set projected deficits, therefore reducing future rate increases.

Ms. Meese noted that, as directed by the Board during the FY23 Rate Analysis, expenses for additional employees have been budgeted in upcoming years. A new employee was budgeted in each year for FY24, FY25, and FY26. In response to a question raised by Mr. Marstin, the Authority has adequate office space for the proposed employees, and not all the new positions would be at the Timberlake office.

In response to a question raised by Mr. Kirkland, water expenses have increased over the last year higher than sewer expenses. For combined expenses (Administrative and field expenses), a ratio of 85-15 percent is used, which is based on estimated time spent on each division by staff. Mr. Kirkland stated that using the customer base for the water and sewer ratio is another approach and is easily identifiable. If the customer base is used, the ratio would change from 85 percent water and 15 percent sewer to 75 percent water and 25 percent sewer.

The following direction was received from the Board for the presentation of the Rate Analysis at the March Board Meeting:

- Previous surpluses will be removed from consideration for future rate increases; previous surpluses will likely be used to off-set future debt for anticipated projects.
- The ratio of water and sewer expenses will be changed to a customer-based ratio of 75-25 percent versus the current work-based ratio of 85-15 percent.
- A Reserve Line item will be created in hopes to fund future, large capital projects, such as expansion of the Water Treatment Plant and construction of additional wastewater pump stations.
- Sewer base fees will be increased to the same level as water fees over the next five years.

The Board was invited to contact staff if additional information was needed or if different proposals should be presented at the March Board meeting.

E2. 2023 Water and Wastewater Rate Report

The 2023 Water and Wastewater Rate Report was presented for the Board's review, consideration, questions, and comments. The following eight entities were compared in this analysis: the Town of Altavista, **Amherst County Service Authority**, the Town of Amherst, the Town of Appomattox, **Bedford Regional Water Authority (adjacent to the town)**, **Bedford Regional Water Authority (County)**, the City of Lynchburg, and **Campbell County Utilities and Service Authority**. Mr. Wells noted that some of the entities are possibly subsidized by General Fund Revenue, so the comparison is concentrated on entities that depend solely on rates and charges. These entities are signified by bold print above.

When comparing overall recurring water fees (base charge and water usage rate), there were three entities with monthly charges lower than the Authority; however, all three of these entities are possibly subsidized with General Fund Revenue. Of the entities that rely solely on rates and charges, CCUSA charges the lowest monthly fees. Even with the proposed increases to water usage fees and the base rate, the Authority would still charge lower rates than any of the entities in the Authority's peer group that do not rely on General Fund Revenue.

When comparing sewer commodity rates, the Authority had the second cheapest rates; only the Town of Altavista had cheaper sewer commodity rates than the Authority: even the entities that are possibly subsidized by General Fund Revenue charged more monthly than the Authority. This is still true even with the proposed base fee and usage fee increases.

When comparing total monthly charges for customers that have both water and sewer, residents in Campbell County pay less than customers in Amherst, Bedford, or Appomattox. Only the City of Lynchburg and the Town of Altavista charge lower monthly fees than the Authority. This would remain true even with the proposed increases presented by the Rate Analysis for FY24.

The Authority and five other entities charge \$1,500 Water Connection Fee per residential connection, but the City of Lynchburg and the Town of Amherst charge less; however, when Water Capital Recovery Fees and Connection Fees are combined, there are three entities that charge less than the Authority and four entities that charge more. The combined fees for the eight entities range from \$250 to \$6,500. The Authority's combined Capital Recovery and Connection Fees total \$3,400. Authority staff is considering an increase in Connection Fees due to an increase in the cost of meters and an increase in contract pricing from the Authority's Contractor that performs new service installation.

There are only two entities that charge less for Sewer Connection Fees than the Authority; however, when Sewer Capital Recovery Fees and Connection Fees are combined, the Authority falls to fourth place again, with three entities charging less than the Authority and four entities charging more. The combined fees for the eight entities range from \$250 to \$7,400. The Authority's combined Capital Recovery and Connection Fees total \$4,100.

The Authority's last water and sewer commodity rate increases were July 1, 2012.

Informational

F. MATTERS FROM THE BOARD

No items were discussed.

G. CLOSED SESSION

MOTION: Mr. Austin made a motion, seconded by Mr. Kirkland, that the Board convene in a Closed Meeting at 6:44 P. M. to discuss personnel issues. The closed session was held in accord with §2.2-3711.A. (1) of the Code of Virginia.

Upon returning to open session at 6:52 P. M., the following certification was adopted:

MOTION: Mr. Kirkland made a motion, seconded by Mr. Richardson, that the following certification be approved:

CERTIFICATION OF CLOSED MEETING

WHEREAS, the Campbell County Utilities and Service Authority has convened a closed meeting on February 23, 2023 pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, §2.2-3712 of the Code of Virginia requires a certification by this Authority Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Campbell County Utilities and Service Authority hereby certifies, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Campbell County Utilities and Service Authority.

VOTE:

AYES: Droog, Austin, Dickerson, Elliott, Kirkland, Marstin, Richardson

NAYS: None

ABSENT DURING VOTE: None

ABSENT DURING MEETING: None

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Austin, that the Authority meeting be adjourned at 6:54 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. Dickerson, seconded by Mr. Richardson, these minutes are approved this 28th day of March, 2023, with 7 of 7 members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Special Meeting
March 28, 2023 at 5:00 pm

Place: Citizens Services Building
85 Carden Lane
Rustburg, VA 24588

A. CALL TO ORDER – Charlie Droog – Chairman - called the meeting to order at 5:00 P.M.

A1. MEMBERS PRESENT

Charlie Droog, Chairman
Don Austin, Vice-Chairman
Carter S. Elliott, Jr.
Wilson Dickerson
Joe Kirkland (via teleconference)
James Marstin
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Josh Pribble, Operations Superintendent
Wendy Meese, Accounting Manager
April Farmer, Technology Coordinator

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Dickerson made a motion, seconded by Mr. Richardson, that the Minutes of the February 28, 2023 Board Meeting be approved.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Copies of the preliminary February 2023 reports were reviewed and are on file in the Authority office.

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 5,542,792.40
Expenses:	\$ 3,836,097.53
Budgeted Capital:	\$ 1,461,100.00
Surplus/(Deficit) to date:	\$ 1,706,694.87/ \$245,594.87
Total "Unencumbered"	\$ 3,918,427.39
Bank Balance 2/28/23:	\$ 11,331,371.74

VENDORS

No new permanent vendors were added in February 2023:

Final Bills (address available upon request):

Jammie A. Knight
ALC Management, Inc.
Sharon L. Workman

Since no new permanent vendors were added; therefore, no motion was required.

D2. OPERATIONS REPORT

The Operations Superintendent's report was distributed and is available at the office for review.

Mr. Pribble briefly reviewed the statistical and operation reports for February 2023. Copies of said reports are on file in the Authority office.

Treatment at the Otter River Water Plant was up 3.4 percent (20,752,000 gallons) compared to February 2022. Sales to the Town of Altavista have increased 23.3 percent (2,135,847 gallons) from the previous year. Sales to the East System have decreased by 14.2 percent (18,356,816 gallons). Usage in Naruna increased 10.5 percent (1,034,678 gallons) from the previous year. Overall water system usage increased 3.2 percent (19,849,051 gallons) to date this fiscal year compared to fiscal year 2022. In response to a question raised by Mr. Richardson, the usage in Naruna was high in February 2023 due to Georgia Pacific recharging their pond. The pond is mainly used for containing fires in the plant.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) decreased 17.6 percent (1,686,000 gallons) compared to last fiscal year. Wastewater sent to the City of Lynchburg

for treatment increased 2.0 percent (2,556,130 gallons) from last fiscal year. The overall result was an increase in wastewater treatment for the fiscal year of 0.6 percent (870,130 gallons) from last year.

There were 21 new water connections serving 27 units and 18 new sewer connections serving 24 units in the month of February 2023 compared to 19 new water connections and 15 new sewer connections serving 19 and 15 units, respectively, in February 2022.

There were 60.5 disconnections for non-payment of bills in February compared to 58 disconnections for non-payment in February 2022. Mr. Pribble noted that one sewer-only customer was allowed to spread his or her reconnection payment over two monthly payments, resulting in half of a reconnection for February 2023. The year-to-date number of disconnections through February 2023 reflects an increase of 25 disconnections for FY23 compared to FY22. (As a reminder, the Disconnection Moratorium was in effect for a portion of FY22.)

The Authority had 8,916 metered water connections serving 14,309 units and 3,045 sewer connections serving 5,288 units as of February 28, 2023.

There were 752 travel points during the month of February 2023, which was an average of 38 stops per workday. In response to a question raised by Mr. Richardson, Mr. Pribble stated that Maintenance staff is currently managing the number of stops. Many of the locates requested are for the laying of fiber optic lines around Campbell County. It is normal for Authority staff to receive 30 to 40 locate tickets just for fiber optic lines. Laying of fiber optic lines is expected to continue for the next several months. In response to a question raised by Mr. Droog, the company laying the fiber optic lines hit an Authority service line in Wildwood on March 27, 2023. A customer's service line in Deerfield was also recently hit by the company laying the fiber optic lines.

Mr. Wells stated that the FY24 Budget includes expenses to hire a new Maintenance staff member, bringing the total in the Maintenance Division to 5; four Maintenance Mechanics and one Maintenance Foreman. The Maintenance Division reports directly to the Operations Superintendent, Mr. Josh Pribble. This will be discussed in more detail during the presentation of the Rate Analysis.

The Otter River was flowing at approximately 168 mgd on the meeting date and the record low for March 28th was 80 mgd in 2002. The median for March 28th was 230 mgd.

D3. ENGINEERING REPORT

The Construction report was distributed and is available at the office for review.

80-1904 Emberly Way Villas

Authority staff has verified that all punch list items were completed. Close-out information has been requested.

80-2002 English Commons On-Site Water and Sewer

The Contractor is still working to complete punch list items that were sent eight months ago. The Contractor also had to relocate a few services on buildings U and W.

80-2004 Wards Road Bridge over NS Railroad

Authority staff will request close-out information once VDOT has issued substantial completion on this project. Mr. Wagner has contacted VDOT to request a partial completion be issued so that the Authority can finalize the water and sewer portion of the project; however, as response to this request has not been received as of the meeting date.

80-2009 Rustburg Middle School Water and Sewer improvements

An as-built survey has been received but record drawings have not yet been received. Mr. Wagner has requested the record drawings from Mr. Bill Gillespie. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed.

80-2102 Carriage Grove Section 3C

AIA forms have been received but staff is still waiting on record drawings and final costs.

80-2003 Lynchburg Airport Rangoon Road Meter

Authority staff needs to request record drawings for this project.

80-2105 Village Drive Patio Homes

This project is under construction. The lower part of the project is complete, and the Contractor is working on the upper part of the project.

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station and Force Main and 80-2202 Yellow Branch Mixed Use Development – Gravity Sewer

Bids for this project were due February 16, 2023; however, no bids were received.

The force main and gravity sewer will be readvertised as one project in May 2023; and the pump station as a stand-alone project will be readvertised in October 2023. It is hoped that dividing the project into two smaller projects will entice contractors to place bids.

80-2206 Home2Suites Motel

Authority staff is waiting on the Developer to say the motel is ready for installation of the water service.

80-2205 Liberty University Aviation Maintenance Facility

This project is complete. Authority staff needs to request closeout information.

80-2104 Castle Craig Water System Replacement

This project is substantially complete, and the final pay request has been received from Toney Construction; however, Authority staff is still waiting on the final invoice from Hurt & Proffitt as of the meeting date. As soon as all the project costs have been paid, Authority staff can work on closing the project.

80-2204 Merryman Parcels Off-Site Sewer (The Allure)

The second bore attempt using 16-inch steel casing was successful. The Contractor is testing and Mr. Greg Meese is reviewing the closed-circuit televised inspection tape. Once review of the tape and all testing is complete, meters will be installed for services.

80-2212 Blue Ridge Commons – Section 2

The Contractor is in the process of testing the water and sewer lines.

80-2208 Merryman Parcels On-Site Water and Sewer (The Allure)

The Contractor is in the process of testing the water and sewer lines.

80-2215 Absolute Storage (Combined with Chick-fil-A)

All water and sanitary sewer services are complete. Construction of the building and parking lot are underway.

80-2101 Trent's Landing – Section 3

Construction on this project will begin soon.

80-2214 Office Renovation Project

This project is going well. The first coat of paint has been applied. All the rooms are in place and the exterior double doors have been installed. The Contractor is working on the deck. All the windows are in place and the store-front double doors were placed February 27, 2023. The Contractor will soon be working to remove siding outside the windows. The drywall subcontractor should be on-site soon. Construction will be complete by Memorial Day; however, there is a two-month lag for the new HVAC rooftop unit. Authority staff will stay in their current locations until the HVAC has been installed. The estimated installation date of the HVAC unit is August 2023.

D4. DIRECTORS REPORT

1. Activities Calendar – Distributed and is on file in the Authority office.
2. Next Board Meeting – Tuesday, April 25, 2023 at 5:00 p.m. at the Citizens Services Building in Rustburg.
3. 2023 Telework Report – The report was reviewed and is on file in the Authority office.
4. Articles of Incorporation – The Campbell County Board of Supervisors has extended the Articles of Incorporation for another 10 years and updated the terms of the Authority Board Members to four-year terms with staggered dates to line up with the County Supervisor member that appoints him or her. Once the document has been executed by the Supervisor Chairman and the Clerk of the Circuit Court, it will be forwarded to the SCC. It is uncertain how long this process will take, but once the document is received by the County, it will be forwarded to the Authority for our records.
5. Bylaws – At the February Board meeting, updates were discussed including a time change from 6:30 pm to 5:00 pm which was adopted at the October 2022 meeting, and modifying Article IV Section 2 to remove language requiring a second signature on checks. The revised Bylaws were reviewed and will be presented for Board action in Item E1 and Item E2.
6. Financial Policies – At the February Board meeting, the proposed financial policies were reviewed, and it was agreed to modify the definition of external consultant and add item #6 on page 5 under the heading “When CCUSA utilizes debt financing...” that states, “Regardless of funding, that the improvement borrowed for will ultimately warrant the expenses and that it cannot be done via another option” that was suggested by Mr. Richardson at the February Board meeting. The process of issuing checks was revised to parallel the Authority Bylaws, with detailed segregation of duties procedures. The revised financial policy was reviewed and will be presented for Board action in Item E3.
7. Highway 24 DIP Investigation - Authority staff has been keeping the Board apprised of unusual circular failures concentrated in two areas of the 12-inch DIP waterline between Rustburg and Concord. These failures are unusual in type and number especially given the age of the pipe. Another failure occurred on Thursday, March 16th which was just upstream from a prior repair. The technical term for the failures being experienced in the pipe is called “blowholes”. Staff has solicited a proposal from Corpro to perform an evaluation of a piece of pipe, to conduct a complete site evaluation to identify the cause of these failures, and to make recommendations to remedy the situation. Staff has also engaged with US Pipe to discuss the failures and

has outlined the Authority's plan for investigation. A meeting is scheduled for April 5, 2023 with representatives from US Pipe in Lynchburg. A portion of the pipe will be extracted and will be sent to Corrpro for analysis to determine if there is a material defect in the pipe. The Corrpro proposal to conduct a metallurgical and corrosion evaluation with recommendations was presented for Board consideration. Staff proposed using unencumbered funds to fund the investigation.

In response to a question raised by Mr. Droog, Authority staff will attempt to find out the lot number of the pipe that was used in this stretch of waterline to determine if other customers of US Pipe have experienced the same type of failure. It is uncertain if US Pipe representatives will share this information with Authority staff.

In response to a question raised by Mr. Marstin, the Authority will pursue payment from US Pipe to cover all expenses related to the defect if the investigation results in a finding that there was a material defect in the pipe, including but not limited to the investigation itself, all repairs on the line, and staff time involved with the leaks/repairs. Mr. Wells stated that Authority staff is tracking costs related to the repairs of the pipe and staff time can be added to this total as well. Stainless steel repair clamps have been used to repair the leaks.

In response to a question raised by Mr. Richardson, there is a stretch of waterline that have not yet had issues with blowholes. A section of pipe will be extracted for testing from the problem area first, but a sample of pipe could be extracted from the portion of the line that is not experiencing leaks as well if the Board directs. Mr. Pribble stated that three samples from the problem area will be extracted: one for testing with CorrPro; one for US Pipe; and one for the Authority to keep for future reference. Toney Construction will excavate the pipe for sampling. Soil testing is included in the investigation proposal. Mr. Richardson stated there should be documentation for the chain of custody for the samples to ensure the results from the study are directly related to the sample that was sent for testing. Mr. Wells stated that the sample will be sent to CorrPro prior to their visit to the site. Mr. Marstin stated that a representative from US Pipe should be present when the sample is extracted. Mr. Wagner stated that the process should be filmed.

In response to a question raised by Mr. Marstin, based on Authority staff research, CorrPro is the only company that has the experience level for this type of testing and is therefore considered a sole source provider.

8. Long Term Capital Projects – Informational – Over the last year Authority staff and the Board have had conversations about specific long-term projects and related potential funding sources. The Authority maintains a sewer capacity fund, collects water and sewer capital recovery fees and is considering funding a Reserve account to help offset costs for future large capital projects. To better describe future needs a list has been developed of larger, long-term water and wastewater capital projects. The estimate for future water project is \$41.9 million and the estimate for future wastewater projects, including the Authority's share of Lynchburg and regional projects, is \$49.1 million. Said list is on file in the Authority office.

In response to a question raised by Mr. Kirkland, a "Reserve Account for Future Projects" has been added to the Rate Analysis in hopes that the Authority will be able to reduce the amount of funding from bonds for these large projects.

9. Martin Drive WWPS – The Authority has the opportunity to proceed with the Martin Drive Wastewater Pump Station as a betterment project. A summary and funding proposal was presented for Board consideration and is on file in the Authority office.

The Authority has been approved for \$1.225 million in grant funding using ARPA money to fund a portion of the Authority's share of construction costs for the Martin Drive Wastewater Pump Station, gravity sewer, and force main. The Authority will need to fund an estimated \$1.225 million towards the project. Thomas Builders of Virginia, a private developer who is developing a multi-family residential development near Leesville Road, has the option to construct a private wastewater pump station; however, the Authority would benefit from sharing in the project so the pump station can open a portion of the County to new customers.

The Martin Drive WWPS has been in the CCUSA Sewer Master Plan – Phase 1 since April 25, 2008. The WWPS would convey wastewater to the existing Leesville Road Sewer Conveyance System, which was completed in 2008. When the Leesville Road Sewer Conveyance System was installed, a tee was installed in the force main in anticipation of the Martin Drive WWPS force main connection. There are known failing drainfields in the sewage basin and there is some community interest for sewer service in the area. Also, if the Martin Drive WWPS is constructed, the Whitestone Village WWPS could be decommissioned with that area being served by gravity sewer.

Staff suggested funding the \$1.225 million by using the money set aside to pay the loan for Castle Craig, funds collected to date for System Development Fees, and the remaining \$286,700 split evenly from FY24 and FY25 reserves for Infrastructure Replacement included in the proposed Capital Budget. By using the \$365,000 set aside to pay the loan for Castle Craig, the Authority will be paying the loan over 20 years instead of paying one lump-sum; however, the loan has an effective interest rate of zero percent.

The Authority must act on the ARPA grant of \$1.225 million by April 5, 2023. In response to a question raised by Mr. Marstin, Authority staff estimates that Sewer Capacity Fees and Sewer Capital Recovery Fees in the amount of \$3.3 million will be received over the next five years as a result of constructing the Martin Drive WWPS. This amount does not include future amounts expected after the five-year projection. In response to a question raised by Mr. Dickerson, the operating and maintenance savings from taking the Whitestone Village WWPS was not taken into consideration for the feasibility study. Since the Whitestone Village WWPS is one of the Authority's oldest WWPS, taking the pump station out of commission would be an overall savings to the Authority. Mr. Wagner stated that the Whitestone Village WWPS is at capacity.

Mr. Elliott stated concern over the wording of "pro rata" in the letter from Thomas Builders. Authority staff will request Mr. Bell to reword the letter to explicitly state what Thomas Builders will contribute to the project if the actual cost of the project is more or less than estimated. Mr. Wagner stated that different portions of the project costs carry different percentages for Thomas Builders. The gravity sewer through the proposed development will be the sole responsibility of Thomas Builders. The cost of an eight-inch force main will be the responsibility of Thomas Builders; however, the increase in this cost to a ten inch forcemain to serve the Authority's needs will be the Authority's responsibility. The cost of the forcemain will be divided 80 percent Thomas Builders and 20 percent Authority.

E. BOARD ACTION ITEMS

E1. Authority Bylaw Change

At the October 25, 2022 special board meeting, the starting time of regular board meetings was discussed. It was the consensus of the board that the starting time be changed from 6:30 P.M. to 5:00 P.M. Formal approval by the board to amend the by-laws is required. Article II, Section 1, titled Regular Meetings, states that “The regular meeting of the members of the Authority shall be held on the 4th Tuesday of each month at 6:30 P.M. “

MOTION: Mr. Elliott made a motion, seconded by Mr. Richardson, that the Authority bylaws, Article II, Section 1, titled Regular Meetings, be amended to read that “The regular meeting of the members of the Authority shall be held on the 4th Tuesday of each month at 5:00 P.M. “

ACTION: Approved Unanimously.

E2. Authority Bylaw Change

At the February 28, 2023 Board meeting, the requirement to have two signatures on checks was discussed. A vote was taken, and a majority of the Board voted that, given the internal segregation of duties, to allow one signature on checks. Formal approval by the Board to amend the by-laws is required. Article IV, Section 2, titled Checks, Etc. states that “All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Authority, shall be signed by such officer or officers, agent or agents of the Authority and in such manner as shall from time to time be determined by resolution of the Authority, and such instruments shall also be signed by the Treasurer or the Chairman. “

MOTION: Mr. Dickerson made a motion, seconded by Mr. Austin, that the Authority bylaws, Article IV, Section 2, titled Checks, Etc., be amended to read that “All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Authority, shall be signed by such officer or officers, agent or agents of the Authority and in such manner as shall from time to time be determined by resolution of the Authority.”

ACTION: Approved 6-1, with Mr. Richardson voting in the negative.

E3. Financial Policies

At the January 24, 2023 board meeting, draft financial policies were presented to the Board for review. Since that time staff has been working to incorporate Board comments into the document presented for adoption.

MOTION: Mr. Richardson made a motion, seconded by Mr. Elliott, that the Financial Policies be adopted.

ACTION: Approved Unanimously.

E4. Highway 24 Waterline Failures Investigation

Staff has been keeping the Board apprised of unusual failures in the 12-inch waterline between Rustburg and Concord. A proposal was received from CorrPro, which is a subsidiary of Aegion, to investigate the cause of these failures to include a metallurgical and corrosion analysis. This is highly specialized work and Aegion/Corrpro has significant experience in the oil, gas and water industries. Staff recommended that the Board authorize execution of the proposal in the amount of \$27,000 and proceed with the investigative work.

MOTION: Mr. Dickerson made a motion, seconded by Mr. Austin, to authorize staff to execute the proposal from CorrPro, a sole source provider, to proceed with the investigative work.

ACTION: Approved Unanimously.

E5. Martin Drive WWPS

The Authority has the opportunity to proceed with the Martin Drive Wastewater Pump Station as a betterment project. The Authority has been approved for \$1.225 million in grant funding using ARPA money to fund a portion of the Authority's share of construction costs for the Martin Drive Wastewater Pump Station, gravity sewer, and force main.

MOTION: Mr. Richardson made a motion, seconded by Mr. Austin, to authorize staff to accept the offer from DEQ for ARPA funding in the amount of \$1.225 million and enter into a water and sewer extension agreement to construct the Martin Drive WWPS with Thomas Builders to include a clause that amounts will be adjusted for actual costs of construction.

ACTION: Approved Unanimously.

E5. Rate Analysis – Wendy

Wendy Meese presented the FY24 Rate Analysis.

The proposed timeline is:

March meeting	Discuss Rate Analysis using direction from the February Board meeting and Budget Committee will be selected
April meeting	presentation of the Budget by staff and Budget Committee
May meeting	Hold a Public Meeting and then vote on rate increases

Ms. Meese presented the Preliminary FY24 Rate Analysis as revised from Board feedback at the February Board meeting. Staff is working on the budget, which is approximately 80 percent complete, including the Capital Budget.

The following direction was received from the Board at the February Board meeting and said changes have been implemented in the Rate Analysis as presented:

- Previous surpluses were removed from consideration for future rate increases; previous surpluses will be used to off-set future debt for anticipated projects and will establish a starting Reserve Account of \$2 million.
- Additional funding of \$200,000 to the Reserve Account was included in for each year in hopes to fund future, large capital projects, such as expansion of the Water Treatment Plant and construction of additional wastewater pump stations.
- The ratio of water and sewer expenses was changed to a customer-based ratio of 75-25 percent versus the previous work-based ratio of 85-15 percent.
- Sewer base fees are proposed to increase to the same level as water fees over the next five years.
- Authority staff reduced the amount proposed for Capital Budget expenses in FY26 through FY28 to \$1.7 million.

Authority staff proposes a \$0.30 rate increase for water usage and a \$0.80 rate increase for sewer usage in each of the next five years with a \$1 increase in the water base fee in FY24 and FY25 and a \$2 increase in the sewer base fee in FY24 and a \$1 increase in the sewer base fee each of the following four years. By the end of the five-year period, the water and the sewer base fees each would be \$18.

The proposed increase for FY24 would result in a 6 percent increase in water usage fees and 16 percent increase in sewer usage fees. The overall increase for the average customer using 13 units of water and sewer per billing cycle, including the increase in base fees, would be \$8.65 per month, or \$17.30 per billing cycle. A majority of the Authority's customer base are water-only customers, and these customers would see an increase of \$2.45 per month or \$4.90 per billing cycle.

Mr. Wells noted that expenses for an additional Maintenance Technician have been included in the FY24 Budget.

Mr. Kirkland and Mr. Richardson volunteered to serve on the Budget Committee for FY24.

The Board was invited to contact staff if additional information was needed or if different proposals should be presented at the March Board meeting.

E6. APPROVAL OF THE CAFR

The FY22 Comprehensive Annual Financial Report (CAFR) was distributed; however, since the bound copy of the report was not mailed with the agenda packet, the motion was tabled until the April Board Meeting.

F. MATTERS FROM THE BOARD

No items were discussed.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Ricardson, that the Authority meeting be adjourned at 6:38 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. Dickerson, seconded by Mr. Marstin, these minutes are approved this 25th day of April, 2023, with 7 of 7 members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Special Meeting
April 25, 2023 at 5:00 pm

Place: Citizens Services Building
85 Carden Lane
Rustburg, VA 24588

A. CALL TO ORDER – Charlie Droog – Chairman - called the meeting to order at 5:00 P.M.

A1. MEMBERS PRESENT

Charlie Droog, Chairman
Don Austin, Vice-Chairman
Carter S. Elliott, Jr.
Wilson Dickerson
Joe Kirkland
James Marstin
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Josh Pribble, Operations Superintendent
Wendy Meese, Accounting Manager
April Farmer, Technology Coordinator

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Dickerson made a motion, seconded by Mr. Marstin, that the Minutes of the March 28, 2023 Board Meeting be approved.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Copies of the preliminary March 2023 reports were reviewed and are available in the Authority office.

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 6,266,507.07
Expenses:	\$ 4,448,985.45
Budgeted Capital:	\$ 1,461,100.00
Surplus/(Deficit) to date:	\$ 1,817,521.62/ \$356,421.62
Total "Unencumbered"	\$ 4,139,690.90
Bank Balance 4/30/23:	\$ 11,338,368.13

VENDORS

No new permanent vendors were added in March 2023:

Final Bills or reimbursements of overpayments (address available upon request):

Blair Construction, Inc.
William Cothran
Austin Smith (AEF)

Since no new permanent vendors were added no motion is required.

D2. OPERATIONS REPORT

The Operations Superintendent's report was distributed and is available at the office for review.

Mr. Pribble briefly reviewed the statistical and operation reports for March 2023. Copies of said reports are available in the Authority office.

Treatment at the Otter River Water Plant was up 3.6 percent (24,932,000 gallons) compared to March 2022. Sales to the Town of Altavista have increased 19.9 percent (1,893,128 gallons) from the previous year. Sales to the East System have decreased by 12.3 percent (17,790,580 gallons). Usage in Naruna increased 14.4 percent (1,566,095 gallons) from the previous year. Overall water system usage increased 3.6 percent (24,690,987 gallons) to date this fiscal year compared to fiscal year 2022.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) decreased 17.7 percent (1,922,000 gallons) compared to last fiscal year. Wastewater sent to the City of Lynchburg for treatment increased 1.5 percent (2,190,208 gallons) from last fiscal year. The overall

result was an increase in wastewater treatment for the fiscal year of 0.2 percent (268,208 gallons) from last year.

There were 21 new water connections serving 23 units and 15 new sewer connections serving 15 units in the month of March 2023 compared to 33 new water connections and 24 new sewer connections serving 48 and 24 units, respectively, in March 2022.

There were 62 disconnections for non-payment of bills in March compared to 9 disconnections for non-payment in March 2022. The year-to-date number of disconnections through March 2023 reflects an increase of 38 disconnections for FY23 compared to FY22. (As a reminder, the Disconnection Moratorium was in effect for a portion of FY22.)

The Authority had 8,937 metered water connections serving 14,332 units and 3,060 sewer connections serving 5,303 units as of March 31, 2023.

There were 1,062 travel points during the month of March 2023, which was an average of 53 stops per workday. In response to a question raised by Mr. Dickerson, Mr. Pribble stated that Maintenance staff is currently managing the number of stops with occasional assistance from staff at the water plant; however, Maintenance staff is experiencing some stress with having to work overtime and being pulled in multiple directions throughout the day most days. Mr. Wells thanked the Board for allowing Authority staff to advertise to fill the new Maintenance position prior to the start of FY24. The addition of this new member of staff will bring the Maintenance Division to five members: four Maintenance Mechanics and one Maintenance Foreman.

In response to a question raised by Mr. Droog, there have not been any leaks on the Route 24 waterline since the March meeting.

The Otter River was flowing at approximately 135 mgd on the meeting date and the record low for April 25th was 8.5 mgd in 2002. The median flow for April 25th was 291 mgd.

D3. ENGINEERING REPORT

The Construction report was distributed and is available at the office for review.

80-1904 Emberly Way Villas

Close-out information has been requested twice but the Developer has not responded as of the meeting date.

80-2002 English Commons On-Site Water and Sewer

The Contractor is slowly working to complete punch list items that were sent nine months ago.

80-2004 Wards Road Bridge over NS Railroad

VDOT has issued an “interim completion” instead of a substantial completion. Authority staff has requested close-out information.

80-2009 Rustburg Middle School Water and Sewer improvements

An as-built survey has been received but record drawings have not yet been received. Mr. Wagner has requested record drawings from Mr. Bill Gillespie. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed.

80-2102 Carriage Grove Section 3C

AIA forms have been received but staff is still waiting on record drawings and final costs.

80-2003 Lynchburg Airport Rangoon Road Meter

Authority staff needs to request record drawings for this project.

80-2105 Village Drive Patio Homes

This project is under construction. The sanitary sewer has been inspected through closed-circuit television; however, there was a lot of dirt and debris in the line, so the line will have to be re-televised.

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

Bids for this project were due February 16, 2023; however, no bids were received.

This project will be bid on November 21, 2023. Mr. Wagner has spoken to a couple of potential contractors, and they have stated they will be available to bid on the project in the fall of 2023.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

Bids for this project were due February 16, 2023; however, no bids were received.

This project will be bid on May 16, 2023. Mr. Wagner has spoken to a couple of potential contractors, and they have stated they will bid on the project when it is re-bid.

80-2206 Home2Suites Motel

Authority staff is waiting on the Developer to say the motel is ready for installation of the water service.

80-2205 Liberty University Aviation Maintenance Facility

This project is complete. Authority staff needs to request closeout information.

80-2104 Castle Craig Water System Replacement

The only thing remaining on this project is the Asset Management Plan that Hurt & Proffitt is developing for the Authority.

80-2204 Merryman Parcels Off-Site Sewer (The Allure)

The sewer was live as of April 6, 2023.

80-2212 Blue Ridge Commons – Section 2

The Contractor is in the process of testing the water and sewer lines.

80-2208 Merryman Parcels On-Site Water and Sewer (The Allure)

Portions of this project have been placed in service.

80-2215 Absolute Storage (Combined with Chick-fil-A)

All water and sanitary sewer services are complete.

80-2101 Trent's Landing – Section 3

Construction on this project will begin soon.

80-2214 Office Renovation Project

Construction will be complete by early June 2023 including the new HVAC rooftop unit that was previously not expected to arrive until August.

D4. DIRECTORS REPORT

1. Activities Calendar – Distributed and available in the Authority office.
2. Next Board Meeting – Tuesday, May 23, 2023 at 5:00 p.m. at the Citizens Services Building in Rustburg.
3. 2023 Telework Report – The report was reviewed and is available in the Authority office.
4. Highway 24 DIP Investigation - Authority staff has executed a contract with Corrpro to perform an evaluation of a piece of pipe from the waterline on Route 24 that has had blowhole failures. CorrPro will conduct a complete site evaluation to identify the cause of these failures, and to make recommendations to remedy the situation.

A meeting was held on April 5, 2023 at US Pipe between Mr. Wells, Mr. Pribble, Mr. Wagner, Mr. Meese, two local representatives of US Pipe, two corrosion experts from the US Pipe Alabama plant, representatives of Core and Main, and representatives of CorrPro (on teleconference). The purpose of the meeting was to discuss the blowhole issues experienced from 2018 to date. The two corrosion experts from US Pipe, that have combined experience of 50 years, stated that blowhole failures are very rare, and that they have never seen the number of blowhole failures that the Authority has experienced in the Route 24 main. The representatives from US Pipe stated that the most common cause is corrosion, but material defects could still be possible. US Pipe and CorrPro will independently analyze a piece of the pipe from Route 24 for material defects.

Stray current could also be an issue affecting the pipe. There is an electric fence near Harvey's Lane. Of the three sections of pipe that are experiencing failures, Harvey's Lane has experienced the most failures. Authority staff will reach out to the property owner to ensure the electric fence is active when the investigation is underway. During the investigation, the pipe will be tested, the soil will be tested, and the possibility of stray current will be investigated.

Mr. Turner Perrow with SCH knows an Engineer based in Iowa that has experienced blowholes from stray currents. A conference call has been scheduled for Thursday, April 27, 2023 for Mr. Perrow to introduce Authority staff to said Engineer to learn of his experience. Mr. Elliott stated that he has had to install "ronks" to control the stray voltage from his electric fence that would otherwise disturb his cattle. Mr. Marstin stated that sacrificial anodes or grounding rods could be used to correct the stray current.

Mr. Wells stated the City of Lynchburg had some blowhole failures in the 1980's, but there were only a couple of blowhole failures, so no investigation was performed to determine the cause.

In response to a question raised by Mr. Elliott, if the results of the investigation indicate stray current is the cause of the blowhole failures, the Authority will have no recourse on US Pipe. The only outcome that could result in repayment from US Pipe will be if it is found that there is a material defect in the pipe.

Mr. Wells stated that he reached out to Ductile Iron Pipe Research Association (DIPRA) prior to reaching out to US Pipe. After the meeting with the Authority, US Pipe also reached out to DIPRA. DIPRA has regional Engineers that travel to investigate this type of issue, and DIPRA has assigned an Engineer to research the Authority's

blowhole issue. The DIPRA Engineer will be in the area the week of May 1, 2023 to start a preliminary investigation.

Mr. Kirkland, who was on the Budget Committee for FY23 and FY24, stated that the expenses to repair leaks showed a large increase in FY23 and an even larger increase in budget request for FY24. When leaks in the waterline occur, the overall expense not only includes time from Toney Construction and materials to fix the repair, but it also causes overtime for Authority staff and the expense of closing lanes of traffic. Some occurrences are as high as \$15,000 - \$20,000, and there have been sixteen of these events on the Route 24 waterline in the last six years.

In response to a question raised by Mr. Cline, the likelihood of another event is uncertain but likely. The Route 24 waterline is approximately twelve miles in length, but the blowhole failures are occurring in three main sections of pipe that are each 200 feet to 300 feet in length. If it is found that the soil is corrosive, there is a wrap that can be placed on the outside of the pipe to protect the pipe from the soil.

Mr. Wells stressed that the Authority would like to take preventative measures instead of correcting this issue after-the-fact. The investigation will begin the week of June 5, 2023. The soil will be tested, the possibility of stray current will be evaluated, and samples of the pipe will be tested. CorrPro will have a section of pipe for testing, US Pipe will have a section of pipe for testing and the Authority will keep a section of pipe for reference.

5. Otter River WTP Received Gold Award – On May 6th, Mr. Michael Templeton and Mr. Jeff Wells attended an awards ceremony sponsored by SERCAP and VDH and received the Virginia Optimization Programs Gold Award on behalf of the Authority for extraordinary operations during 2022. This is the 18th consecutive year that the Otter River WTP has received an award through this program. The Otter River Water Treatment Plant has received an award every year since the program started.

Mr. Droog stated that a letter of recognition should be issued to the Water Treatment Plant. Mr. Droog stated the letter should include all Authority employees, as a team that worked together to earn the award but should specifically state appreciation to the Water Treatment Plant staff.

MOTION: Mr. Austin made a motion, seconded by Mr. Dickerson, that a letter of recognition be drafted to Authority staff from the Authority Board to show appreciation for extraordinary operations.

ACTION: Approved Unanimously.

E. BOARD ACTION ITEMS

E1. FY24 BUDGET

The Budget Committee, Mr. Kirkland, Mr. Richardson, Mr. Wells, and Ms. Meese, met on April 24, 2023. The proposed FY24 Budget was distributed and discussed. The budget summary tabulation as of April 24, 2023 was:

EXPENSES:

<u>DIVISION</u>	<u>BUDGET REQUEST</u>
Personnel	\$ 2,796,838
Administration	723,000
Source of Supply (Water Plant & City Purchases)	1,360,750
Wastewater Treatment (Rust. & Concord WWTPs & City)	639,600
Maintenance/Inspection	876,850
Naruna	34,080
Debt Service	504,517
CIP & Reserves	<u>1,719,500</u>
TOTAL EXPENSES	\$ 8,655,135
 TOTAL REVENUES	 \$ 8,463,765
 PROJECTED DEFICIT	 \$ (191,370)

The FY24 Budget proposes a cost-of-living increase of 7 percent, which is consistent with the proposed cost of living of several other localities in the area, including the Commonwealth of Virginia and Campbell County. Authority staff uses the Consumer Price Index (CPI) to determine the appropriate cost of living increase. There is a new Maintenance employee added to the Personnel Division in FY24. There are seven Authority employees that will receive a step increase due to longevity and four employees are getting a promotional step and one employee is receiving a step after completion of the probationary period.

Proposed expenses increased for each division in the upcoming year; however, most of the increases are out of Authority staff control. The largest increases were in the chemical line, the electric line, and sewer treatment from the City of Lynchburg.

A Reserve line item is included in each year to reduce the amount of money that will have to be borrowed in the future for large projects. The amount proposed for the next five years is \$200,000 each year. It is proposed to move \$2 million from the Unencumbered line item to the Reserve Account, resulting in \$3 million at the end of five years.

Ms. Meese noted that the Authority is currently the second lowest combined water and sewer bill when comparing monthly recurring charges to other localities in the surrounding area. When the monthly stormwater fee is included with the City of Lynchburg bill, only the Town of Altavista has a lower combined bill than CCUSA. The proposed increase for FY24 does not change CCUSA's standing because the City of Lynchburg has proposed a rate increase as well. CCUSA's monthly bill is 54 percent less than the monthly bill for Bedford residents.

Provider	Water		Sewer		Total Monthly Recurring Fees
	Base Fee + Any known monthly fee	Commodity Rate	Base Fee	Commodity Rate	
Town of Altavista	\$ 6.50	\$ 15.10		\$ 15.43	\$ 37.03
CCUSA	\$ 8.00	\$ 31.08	\$ 6.00	\$ 32.75	\$ 77.84
	\$ 8.50	\$ 33.09	\$ 7.00	\$ 38.44	\$ 84.08
City of Lynchburg	\$ 11.86	\$ 18.52		\$ 48.26	\$ 78.64
<i>* Charges monthly stormwater fee</i>	\$ 12.17	\$ 19.59		\$ 54.14	\$ 85.90
Town of Amherst	\$ 15.60	\$ 38.75	\$ 27.35	\$ 34.25	\$ 115.95
Bedford Regional (Adj. to Town)	\$ 25.50	\$ 27.50	\$ 28.00	\$ 37.20	\$ 118.20
	\$ 27.00	\$ 32.50	\$ 27.00	\$ 42.50	\$ 129.00
Town of Appomattox	\$ 11.90	\$ 19.80	\$ 33.40	\$ 56.55	\$ 121.65
Bedford Regional (County)	\$ 25.00	\$ 30.00	\$ 25.00	\$ 40.00	\$ 120.00
	\$ 27.00	\$ 32.50	\$ 27.00	\$ 42.50	\$ 129.00
Amherst Service Authority	\$ 24.00	\$ 39.44	\$ 7.00	\$ 59.63	\$ 130.06

Mr. Richardson stated that he is less confident that the FY24 expenses will come in under budget than he has been in years past due to the current economy and a less conservative approach taken by Authority staff. Mr. Kirkland stated that the revenue projected is less conservative than it has been in the past. Authority staff is making an effort to present actual numbers based on projects that are currently underway. Authority staff feels the FY24 Budget is a reasonable estimate of expenses as well as revenues for the upcoming year. Ms. Meese stated that the staff's usual goal at the end of a fiscal year is to have spent 98 percent of projected expenses and to have received 102 percent of projected revenues, but for FY24, staff is expecting 98 percent of expenses at the end of FY24 and

100 percent of revenue. If that goal is achieved, instead of the \$191,372 deficit, the Authority will have a \$20,000 surplus.

Mr. Wells distributed and discussed a Request for Proposals – Investment Opportunities for input from the Board prior to the RFP being posted to the Authority website. Authority staff will reach out to interested financial institutions. The proposals are due May 19, 2023 and will be brought to the Board at the May or June Board meeting for discussion.

In response to a question raised by Mr. Richardson, First Citizens offers a one-to-three-year range ladder investment strategy; however, the investments will be liquid in the event the Authority must address an unplanned circumstance. The main concerns voiced by the Board were to make sure the investments are fully insured and to have all penalties stated explicitly.

Informational.

E2. PROPOSED RATE INCREASE

The FY24 Rate Analysis was presented, updated with actual budget numbers. The deficit was slightly higher than was originally presented once the budget was complete. While divisional expenses were reduced slightly from the previous rate analysis, the addition of the Reserve line item resulted in a projected deficit. As discussed at previous meetings, a rate increase is proposed for both water and sewer usage rates as well as increases to both the water and sewer base fees. The proposed water rate increase is \$0.30 per hundred cubic feet (hcf), or 6 percent, with a \$1 increase to the bi-monthly base fee. The proposed sewer rate increase is \$0.85 per hcf, or 16 percent, with a \$2 increase to the bi-monthly base fee. The Board has directed that a larger increase in sewer fees be implemented because there are many upcoming sewer capital projects and sewer revenue should support sewer expenses. In the past, the Authority has operated with water customers supplementing sewer expenses.

The overall increase in the water bill for a residential customer using 13 units per billing cycle with the proposed increase in base fee and usage rate would be \$4.90 for a two-month cycle (\$2.45 per month), or 6.4%.

13 units x \$4.65 current rate = \$60.45 + \$16 current base fee = \$76.45 for 2 months
13 units x \$4.95 proposed rate = \$64.35 + \$17 proposed base fee = \$81.35 for 2 months
Proposed increase in bi-monthly bill would be \$4.90, or \$2.45 per month, 6.4% total increase

Of the Authority's 8,937 customers, there are approximately 3,050 customers that also have sewer. The sewer portion of the bill for the same usage would be as follows:

13 units x \$4.90 current rate = \$63.70 + \$12 current base fee = \$75.70 for 2 months
13 units x \$5.75 proposed rate = \$74.75 + \$14 proposed base fee = \$88.75 for 2 months
Proposed increase in bi-monthly bill would be \$13.05, or \$6.53 per month, 17.2% total increase

Putting the water and sewer fees together into one combined bill would be:

Current combined bill – 13 units – water \$76.45 and sewer \$75.70 = \$152.15
Proposed combined bill – 13 units - water \$81.35 and sewer \$88.75 = \$170.10
Proposed increase in bi-monthly bill would be \$17.95, or \$8.98 per month, 11.8% total increase

MOTION: Mr. Kirkland made a motion, seconded by Mr. Austin, to authorize the Executive Director to advertise a possible water rate and fee increase pursuant to 15.2 of the Authorities Act.

Section VII. RATES are proposed to change the commodity charges as follows:

Water Rate from \$4.65 per HCF to 4.95 per HCF
Water Base Fee from \$16 per billing cycle to \$17 per residential unit per billing cycle

The water base fee will be advertised for a possible \$1 increase to residential customer bi-monthly bills with the water base fee increasing proportional to meter size according to the following chart:

WATER BASE FEE:

<u>Service Size</u>	<u>Bi-monthly Charge</u>
3/4" X 5/8" Meter	\$ 17.00
1" Meter	\$ 23.00
1-1/2" Meter	\$ 37.00
2" Meter	\$ 56.00
3" Meter	\$111.00
4" Meter	\$164.00
6" Meter	\$270.00
8" Meter	\$403.00

ACTION: Approved 6-1, with Mr. Elliott voting in the negative.

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, to authorize the Executive Director to advertise a possible sewer rate and fee increase pursuant to 15.2 of the Authorities Act.

Section VII. RATES are proposed to change the commodity charges as follows:

Sewer Rate from \$4.90 per HCF to \$5.75 per HCF
Flat Sewer Fee from \$61.00/billing cycle to \$71.50 per billing cycle
Sewer Base Fee from \$12 per billing cycle to \$14 per residential unit per billing cycle

The sewer base fee will be advertised for a possible \$2 increase to residential customer bi-monthly bills with the sewer base fee increasing proportional to meter size according to the following chart:

Section VII. RATES will be revised to add a Sewer Base Charge as follows:

<u>Service Size</u>	<u>Bi-monthly Charge</u>
4" Sewer Service	\$14.00
6" Sewer Service	\$33.00
8" Sewer Service	\$55.00
10" Sewer Service	\$63.00
12" Sewer Service	\$90.00

Flow rates that exceed the minimum slope capacity of the respective service size shall be charged the next appropriate size and charge. For pumped sewers, the bi-monthly charge shall be based on ERU's. (Example: 3 ERU's = \$42 bi-monthly)

Section XVII – The revised rates are to become effective and be applied to all bills rendered with a billing date of July 1, 2023 or later.

ACTION: Approved Unanimously.

Mr. Marstin stated that the Authority could increase fees without a public hearing. The Capital Recovery Fee has not changed since January 2010. Mr. Wagner stated that bids for annual services are due May 6, 2023, and the increase in the contract can be used to determine if Connection Fees and Capital Recovery Fees should be increased.

Locations with ample seating will be researched for the public hearing. It was stated that the meeting should be held in the Timberlake area, where the Authority customers are concentrated. Mr. Marstin also suggested the time be adjusted to allow customers that work until 5 o'clock time to attend.

It is required to advertise in the local newspaper twice, one week between advertisements with the second advertisement 14 days prior to the meeting. The public hearing will also be posted to the Authority website. The public hearing and the regular Board meeting do not have to be held on the same night.

E4. APPROVAL OF THE ACFR

The FY22 Annual Comprehensive Financial Report (ACFR) was distributed at the April Board meeting and is available in the Authority office.

Staff recommended that the Board accept the Audit as submitted by Robinson, Farmer, and Cox.

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the Board accept the FY22 Annual Comprehensive Financial Report as submitted by Robinson, Farmer, and Cox.

ACTION: Approved Unanimously.

E5. CUSTOM STRUCTURES REQUEST FOR A FOURTH ST JUDE DREAM HOME

Custom Structures Inc. is partnering with St. Jude to build a fourth dream home in Trent's Landing subdivision. Custom Structures is requesting that CCUSA waive the water and sewer connection fees in the amount of \$6,135.00. For information, Custom Structures approached the Board in January 2020, December 2020, and October 2021 with the same request and the fees were waived all three times.

Mr. Marstin stated he would have reservations voting to raise rates if the Authority approved waiving fees – as worthwhile as the cause may be.

No action was taken by the Authority Board.

F. MATTERS FROM THE BOARD

No matters were discussed.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the Authority meeting be adjourned at 6:30 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this _____ day of _____, 2023, with _____ of _____ members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Special Meeting
May 23, 2023 at 5:00 pm

Place: Citizens Services Building
85 Carden Lane
Rustburg, VA 24588

A. CALL TO ORDER – Charlie Droog – Chairman - called the meeting to order at 5:00 P.M. with the Pledge of Allegiance and a Prayer.

A1. MEMBERS PRESENT

Charlie Droog, Chairman
Don Austin, Vice-Chairman
Carter S. Elliott, Jr.
Wilson Dickerson
Joe Kirkland
James Marstin
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Josh Pribble, Operations Superintendent
Wendy Meese, Accounting Manager
April Farmer, Technology Coordinator

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Dickerson made a motion, seconded by Mr. Richardson, that the Minutes of the April 25, 2023 Board Meeting be approved.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Copies of the preliminary April 2023 reports were reviewed and are on file in the Authority office.

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 6,971,258.27
Expenses:	\$ 4,850,327.06
Budgeted Capital:	\$ 1,461,100.00
Surplus/(Deficit) to date:	\$ 2,120,931.21/ \$659,831.21
Total "Unencumbered"	\$ 4,399,680.13
Bank Balance 4/30/23:	\$ 11,568,900.75

VENDORS

Permanent vendors added in April 2023:

Hailey's Appliance	55 Hicks Rd	Lynchburg, VA
Artic Refrigeration	189 Oakdale Cr.	Lynchburg, VA

Final Bills, reimbursements of overpayments, refunds of Account Establishment Fees (AEF) (address available upon request):

Christian J. Lasval
Andrew E. Disher
Matthew C. Miller (AEF)

MOTION: Mr. Richardson made a motion, seconded by Mr. Austin, that the new vendor list for April 2023 be approved.

ACTION: Approved Unanimously.

D2. OPERATIONS REPORT

The Operations Superintendent's report was distributed and is available at the office for review.

Mr. Pribble briefly reviewed the statistical and operation reports for April 2023. Copies of said reports are available in the Authority office.

Treatment at the Otter River Water Plant was up 4.2 percent (31,643,000 gallons) compared to April 2022. Sales to the Town of Altavista have increased 13.3 percent (1,542,645 gallons) from the previous year. Sales to the East System have decreased by

10.0 percent (15,708,148 gallons). Usage in Naruna increased 17.2 percent (2,087,446 gallons) from the previous year. Overall water system usage increased 4.2 percent (32,273,821 gallons) to date this fiscal year compared to fiscal year 2022.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) decreased 16.8 percent (1,980,000 gallons) compared to last fiscal year. Wastewater sent to the City of Lynchburg for treatment increased 1.5 percent (2,366,996 gallons) from last fiscal year. The overall result was an increase in wastewater treatment for the fiscal year of 0.2 percent (386,996 gallons) from last year.

There were 13 new water connections serving 24 units and 9 new sewer connections serving 20 units in the month of April 2023 compared to 13 new water connections and 8 new sewer connections serving 13 and 8 units, respectively, in April 2022.

There were 52.5 disconnections for non-payment of bills in April compared to 54 disconnections for non-payment in April 2022. The year-to-date number of disconnections through April 2023 reflects an increase of 36 disconnections for FY23 compared to FY22. Mr. Pribble noted that one sewer-only customer was allowed to spread his or her reconnection payment over two monthly payments, resulting in half of a reconnection for February 2023 and the other half was recognized in April 2023. (As a reminder, the Disconnection Moratorium was in effect for a portion of FY22.)

The Authority had 8,950 metered water connections serving 14,356 units and 3,069 sewer connections serving 5,323 units as of April 30, 2023.

There were 982 travel points during the month of April 2023, which was an average of 49 stops per workday. In response to a question raised by Mr. Richardson, Mr. Pribble stated that Maintenance staff is currently managing the number of stops with occasional assistance from staff at the water plant; however, Maintenance staff is experiencing some stress with having to work overtime and being pulled in multiple directions throughout the day most days. Water Plant staff has been assisting Maintenance a couple of days a week. Mr. Wells thanked the Board for allowing Authority staff to advertise to fill the new Maintenance position prior to the start of FY24. The addition of this new member of staff will bring the Maintenance Division to five members: four Maintenance Mechanics and one Maintenance Foreman.

In response to a question raised by Mr. Cline, it is possible the number of locates will drop in the future, once the fiber optic lines have been laid in the more densely populated areas such as Timberlake.

The Otter River was flowing at approximately 123 mgd on the meeting date and the record low for May 23rd was 48 mgd in 2002. The median flow for May 23rd was 175 mgd.

D3. ENGINEERING REPORT

The Construction report was distributed and is available at the office for review.

80-1904 Emberly Way Villas

Most of the closeout information has been received. Once all the information is received, this project will be presented for acceptance into the Authority system and will be removed from the Construction Activities Report.

80-2002 English Commons On-Site Water and Sewer

The Contractor is slowly working to complete punch list items that were sent almost one year ago.

80-2004 Wards Road Bridge over NS Railroad

VDOT has issued an “interim completion” instead of a substantial completion. Authority staff has requested closeout information.

80-2009 Rustburg Middle School Water and Sewer improvements

An as-built survey has been received but record drawings have not yet been received. Mr. Wagner has requested record drawings from Mr. Bill Gillespie. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed.

80-2102 Carriage Grove Section 3C

AIA forms have been received but staff is still waiting on record drawings and final costs. It is anticipated this project will be ready to close by the June Board meeting.

80-2003 Lynchburg Airport Rangoon Road Meter

Authority staff is waiting on closeout information for this project.

80-2105 Village Drive Patio Homes

This project is under construction.

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

Bids for this project were due February 16, 2023; however, no bids were received.

This project will be bid on November 21, 2023. Mr. Wagner has spoken to a couple of potential contractors, and they have stated they will be available to bid on the project in the fall of 2023.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

Bids for this project were due February 16, 2023; however, no bids were received.

This project was bid on May 16, 2023 and received one bid. This project will be discussed during Item E4.

80-2206 Home2Suites Motel

The Developer will be installing the 2" domestic service and 1" irrigation service in the near future.

80-2205 Liberty University Aviation Maintenance Facility

This project is complete. Closeout information has been requested.

80-2104 Castle Craig Water System Replacement

The only thing remaining on this project is the Asset Management Plan that Hurt & Proffitt is developing for the Authority.

In response to a question raised by Mr. Richardson, the Asset Management Plan (the "Plan") includes a maintenance and replacement plan for the Authority's system. Mr. Wagner stated that the existing Plan was submitted to the Virginia Department of Health (VDH) when the Authority applied for funding for Castle Craig, but the Plan did not include the pipes. VDH requires a Plan for the entire system, which includes pipes (the distribution system). The Authority received a \$15,000 grant for Hurt & Proffitt to complete the Asset Management Plan to meet VDH requirements. Once the Plan is complete, the Authority will have a list of all the pipes in the system, including the material of said pipe and a recommended timeline of when each pipe should be replaced. Mr. Richardson stated that the Authority should not be held strictly to the dates outlined in the Plan, that some pipe may exceed the estimated life.

80-2204 Merryman Parcels Off-Site Sewer (The Allure)

The sewer was active as of April 6, 2023. Authority staff has received some of the closeout information.

80-2212 Blue Ridge Commons – Section 2

The Contractor has almost completed testing the water and sewer lines.

80-2208 Merryman Parcels On-Site Water and Sewer (The Allure)

This project is almost complete.

80-2215 Absolute Storage (Combined with Chick-fil-A)

All water and sanitary sewer services are complete; however, there still needs to be a radio endpoint on the detector meter. Chick Fil A is scheduled to open for business on June 1, 2023.

80-2101 Trent's Landing – Section 3

Construction on this project will begin soon.

80-2214 Office Renovation Project

Construction will be complete by June 23, 2023. The HVAC unit is scheduled to be installed on May 24, 2023.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Activities Calendar – Distributed and is on file in the Authority office.
2. Next Board Meeting – Tuesday, June 27, 2023 at 5:00 p.m. at Citizens Services Building in Rustburg.
3. 2023 Telework Report – The report of telework activities during 2023 was distributed and is on file in the Authority office.
4. Highway 24 DIP Investigation - Corrpro has installed four smart monitors to measure corrosion rates. Corrpro will monitor for corrosion rates, pipe to soil potential and AC current flow. Two are connected to our pipe (fire hydrants) along Hwy 24. They have measured soil resistivity, collected soil samples, recorded preliminary voltage gradings, and measured earth gradients in several areas. They will monitor remotely and collect the data during the onsite evaluation which is scheduled for the week of June 5 2023.

Authority staff has confirmed that the fence near Harvey's Lane is electric but is usually only in operation late in the summer through fall. Mr. Harvey has agreed to turn the fence on while Corrpro is on-site for testing. In response to a question raised by Mr. Dickerson, most of the pipe failures are outside of late summer through fall when the fence is active. Mr. Elliott stated he would like testing to be performed in areas where there have not been pipe failures to determine if stray voltage is present there as well. Mr. Pribble stated there is a monitor approximately three miles from Harvey's Lane and approximately half to three quarters of a mile from the area furthest east where the failures have occurred.

Mr. Wells spoke with Walt Young with Corrpro on May 23, 2023 and Mr. Young stated that the first round of data from the monitors has detected stray AC and DC current. This is preliminary information and Corrpro will continue to monitor the stations.

Allen Cox, Regional Engineer with DIPRA will look at the area and offer technical assistance on May 24, 2023. Mr. Cox has 40 years of experience with ductile iron pipe and will be giving his input and feedback.

5. Budget/Proposed Rate Increase Timeline –The timeline of activities for the proposed rate increase and adoption of the budget was distributed and is on file in the Authority office. Should rate increases be approved, the timing of notification to customers and implementing the increase needs to be considered. The Public Meeting will be held June 5, 2023. The Board has the option to act on the proposed rate increase following public comment at the June 5, 2023 meeting. The Board concurred that a decision should not be made the same night as the Public Meeting, so a decision will likely be made at the June 27, 2023 Board Meeting. Following discussion, it was determined that, if a rate increase is approved, a buck slip with details of the rate increase will be included in customer bills mailed in July and August and will not go into effect until September billing. Delaying the rate increases to September billing will have an impact on the proposed budget by approximately \$100,000; however, the reduced revenue will cover FY24 expenses.

In response to a question raised by Mr. Kirkland, Authority staff has not yet been contacted by any news media.

6. Public Meeting on Proposed Rate/Fee Increases – Monday, June 5, 2023 at 7:00 p.m. in the fellowship hall of Saint Andrew Presbyterian Church at 21206 Timberlake Rd.
7. Investment Proposals – Mr. Wells advised that an RFP has been advertised. Proposals were due May 19, 2023. Mr. Wells contacted five banks prior to the proposal due date but only one proposal was received from First Citizens. Mr. Wells answered questions from Wells Fargo, but Wells Fargo did not submit a proposal. Davenport submitted a proposal for consulting service to assist with making investments. A recommendation will be presented at the June Board meeting once staff has an opportunity to review the proposal.

E. BOARD ACTION ITEMS

E1. Extension Agreement – Leesville Road Apartments, Off-Site Water

This project includes a 12-inch waterline off-site extension to serve the proposed Leesville Road Apartments (252 apartments) and future development between the US 460 Bypass and the Farfields Subdivision. This project will require extension of 2,601 linear feet of 12-inch water main, with connections to the existing 10-inch waterline at Buxton Drive, the existing 6-inch waterline at Lynview Drive, and the existing 6-inch waterline on Chardon Road. Future projects will extend the 12-inch waterline through the future development to interconnect with the existing 8-inch waterline on Farfields Drive, provided a pressure reducing valve is installed between the development and Farfields Drive. A copy of the extension agreement is on file in the Authority office.

MOTION: Mr. Kirkland made a motion, seconded by Mr. Richardson, to authorize the Chairman to execute the extension agreement with Thomas Builders of Virginia, LLC to extend the Authority water system to serve Leesville Road Apartments.

ACTION: Approved Unanimously.

E2. **Extension Agreement – Leesville Road Apartments, On-Site Water and Sewer**

This extension agreement is for the on-site water and sanitary sewer lines to serve the proposed Leesville Road Apartments (252 apartments). Water extension includes 60 linear feet of 8-inch water main and a 6-inch by 2-inch FSAA master meter. Sanitary sewer extension includes 1,160 linear feet of 8-inch gravity sewer and a private wastewater pump station that will connect to the existing 12-inch force main. The private WWPS and force main will be decommissioned once the Martin Drive wastewater pump station is commissioned and the gravity sewer has been extended along the unnamed tributary of Buffalo Creek. The 1,160 linear feet of gravity sewer installed during this project will become the property of the Authority once the Martin Drive WWPS is in service, and the gravity sewers have been extended. A copy of the extension agreement is on file in the Authority office.

In response to a question raised by Mr. Richardson, the plans for the temporary pump station will be scrutinized. Mr. Wagner stated that he has been requesting plans for the temporary pump station for four months but has yet to receive the plans. Authority staff cannot force the Developer to comply with Authority standards for the temporary pump station; however, the temporary pump station will have to comply with DEQ sewer collection and treatment regulations. In response to a question raised by Mr. Dickerson, Thomas Builders of Virginia, LLC will be responsible for the maintenance of the temporary pump station. In response to a question raised by Mr. Marstin, the temporary pump station will be in use for 18-24 months.

In response to a question raised by Mr. Richardson, the internal and external infrastructure to serve the Leesville Road apartment complex is bonded, so if the Developer is unable to complete the pump station the Authority will have recourse.

In response to a question raised by Mr. Marstin, the Martin Drive Regional Pump Station will be funded partially by DEQ ARPA Grant. The remaining funding will be a cooperation between the Developer and the Authority.

Mr. Wagner stated that American Iron and Steel regulations do not apply to the Martin Drive Pump Station project and because the total project is less than \$10 million, Davis-Bacon wage rates also do not apply to this project. Mr. Wagner has been given authorization from DEQ by Mr. James Moneymaker to begin contacting property owners for easements for the gravity sewer and force mains.

MOTION: Mr. Richardson made a motion, seconded by Mr. Kirkland, to authorize the Chairman to execute the extension agreement with Thomas Builders of Virginia, LLC to extend the Authority water and sewer systems to serve Leesville Road Apartments.

ACTION: Approved Unanimously.

E3. **Extension Agreement – The Allure – Section 2**

This extension agreement is for the onsite water and sanitary sewer lines to serve The Allure – Section 2, located on English Tavern Road, opposite Whites United Methodist Church and Depot Road (22 townhomes and a clubhouse/gym/management office and pool). Water extensions include 1,639 linear feet of 8-inch water main and associated appurtenances. Sanitary sewer extensions include 567 linear feet of 8-inch gravity sewer

and associated appurtenances. A copy of the extension agreement is on file in the Authority office.

MOTION: Mr. Dickerson made a motion, seconded by Mr. Austin, to authorize the Chairman to execute the extension agreement with Yellow Branch Properties, LLC to extend the Authority water and sewer systems to serve The Allure – Section 2.

ACTION: Approved Unanimously.

E4. **Acceptance of Bid – Project 80-2201 - Yellow Branch Mixed Use Development – Gravity Sewer and Force Main**

This is a repackaged project since no bids were received when the WWPS and force main was bid on February 16, 2023. The repackaged project is the main stem 8-inch gravity sewer (1,829 lf) through the Yellow Branch Mixed Use Development to VA 24 and 800 linear feet of 8-inch gravity sewer on the County property located between VA 24 and Anstey Road and 1,850 linear feet of 6-inch force main and 817 linear feet of 8-inch, 10-inch, and 12-inch gravity sewer from the WWPS site to the existing Yellow Branch WWPS.

The Authority received only one bid. Counts and Dobyns, Inc, with Toney Construction, Inc as a subcontractor, submitted a base bid of \$915,285.00. This is approximately 8% higher than the Engineer's Opinion of Probable Cost of \$848,000.

Remaining ARPA funds available for the wastewater pump station are \$641,649.70, so it will be close when the Authority bids the WWPS in November 2023; however, Campbell County has a vested interest in this project because it will serve the mixed-use development as well as some County owned properties. Mr. Cline confirmed that the County would assist with funding if there is a shortfall for the wastewater pump station portion of this project that will be bid in November 2023.

MOTION: Mr. Richardson made a motion, seconded by Mr. Kirkland, to authorize Authority Staff to issue the Notice of Award and execute an Agreement Between Owner and Contractor for Construction Contract (Stipulated Price) with Counts and Dobyns, Inc. for Yellow Branch Mixed Use Development – Gravity Sewer and Force Main.

ACTION: Approved Unanimously.

E5. **CONTRACTOR SERVICE CONTRACT**

Request for Bids was advertised on April 7, 2023. Bids were received on May 9, 2023.

One bid was received from Toney Construction Inc. who is the current contractor. Mr. Wagner stated this is the Contractor that addresses leaks after hours and is required to be available 24/7.

The Bid Tabulation is as follows:

Labor (Monday through Friday 8:00 am – 5:00 pm) (Hourly Rate)

Equipment Operator	\$49.00
Laborer	\$49.00
Supervisor	\$49.00

Labor (Monday through Friday 5:00 pm – 8:00 am and Saturday and Sunday, including holidays) (Hourly Rate)

Equipment Operator	\$73.50
Laborer	\$73.50
Supervisor	\$73.50

Equipment (Hourly Rate)

Dump Truck (5 CY Bobtail or comparable)	\$48.00
Pickup Truck (3/4 ton or 1/2 ton)	\$25.00
Backhoe (Case 580E or comparable)	\$56.00
Mini Excavator (up to 6 tons)	\$56.00
Trench Roller (Rammax or comparable)	\$40.00
Tamper (Jumping Jack)	\$25.00
Trash & Water Pump	\$25.00
Air Compressor (excluding services)	\$28.00
Utility Equipment Truck with Tools	\$45.00

New Service Connection

Single near side water service	\$1,400.00
Double near side water service	\$1,900.00
Single far side water service	\$2,400.00
Double far side water service	\$2,800.00
1-1/4" Near side sewer force main service	\$1,600.00
1-1/4" Far side sewer force main service	\$2,600.00
Trenching per linear foot	\$15.00
Horizontal Directional Drilling up to 2" per linear foot, including conduit	\$20.00 (100' minimum)
Horizontal Directional Drilling up to 4" per linear foot, including conduit	\$32.00 (100' minimum)

Toney Construction, Inc. has had the contract for Contractor service for the past twelve years. The last two contracts had three- year terms with the option to renew for three additional one-year terms. Toney Construction, Inc. could not increase unit prices during the first three years of the contract, but increases were allowed to adjust for the Consumer Price Index (CPI) for each of the renewal terms. For the last six-year contract, Toney Construction, Inc. adjusted their prices per the CPI for only the last two renewal periods.

In response to a question raised by Mr. Kirkland, this bid was in line with the previous contract adjusted for inflation. Authority staff will likely recommend an increase in Connection Fees in the near future due to the increase in labor and material costs.

Staff recommended that the Authority enter a contract with Toney Construction Inc. for Annual Construction Services.

MOTION: Mr. Elliott made a motion, seconded by Mr. Dickerson, that the Annual Construction Services Contract be awarded to Toney Construction Inc.

ACTION: Approved Unanimously.

E6. PROPOSED INCREASE TO ON-CALL (STANDBY) PAY

The last time the on-call stipend was increased was 2012 when it went from \$70 to \$100. During this week the employee is expected to leave anything they are attending personally to respond to customer calls regarding leaks or locating lines for Miss Utility or any other emergency that may arise. Being on call is an inconvenience to the employee and requires them to adjust personal activities to be available. The stipend is meant to compensate employees for making themselves available during this week. Budget implication is a \$1,300 increase and can be absorbed in the proposed overtime budget.

In response to a question raised by Mr. Elliott, employees that respond to a call after hours are compensated for hours worked with a two-hour minimum per day that there is a call. Most of the time, callback hours are paid overtime (time-and-a-half) unless it is the same week as a holiday or if sick time has been used. There is always an employee on call and the employee cannot leave the service area or consume alcohol when he or she is on call. The callback period is from 4:30 P.M. Wednesday to 8 A.M. the following Wednesday.

In response to a question raised by Mr. Austin, the Authority uses a call center to answer after-hours calls.

Staff proposed an adjustment to increase the on-call stipend to \$125.

MOTION: Mr. Elliott made a motion, seconded by Mr. Richardson, that the call-duty stipend be increased to \$125 per week beginning June 28, 2023 (the first pay period of FY24).

ACTION: Approved Unanimously.

F. MATTERS FROM THE BOARD

F1. Pond constructed on Easement on Lynbrook Road

Mr. Ricky Vance with Vance Builders owns a piece of property on Old Lynbrook Road. Mr. Vance has constructed a pond on top of an Authority easement. Authority staff was made aware of the pond when Maintenance was called for a fire hydrant on the property being under water. Mr. Wells and Mr. Josh Pribble met with the property owner and followed up with a letter to the property owner as well as the resident of the property on Lynbrook, giving a deadline of July 31, 2023 for the water to be removed from the easement. If action is not taken in a timely manner by the property owner, the Authority will be forced to take

legal action. The waterline in question is a 20-inch waterline that conveys water from the Tanglewood tank to the Timberlake area and the Authority needs clear access to the waterline.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the Authority meeting be adjourned at 6:07 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this _____ day of _____, 2023, with _____ of _____ members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Special Meeting
June 5, 2023 at 7:00 pm

Place: Saint Andrew Presbyterian Church Fellowship Hall
21206 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Charlie Droog – Chairman - called the public hearing to order at 7:00 P.M. with the Pledge of Allegiance and a Prayer. This Special Meeting was called for the purpose of hearing public comment on the proposed increase to Authority water and sewer rates and fees.

A1. MEMBERS PRESENT

Charlie Droog, Chairman
Don Austin, Vice-Chairman
Carter S. Elliott, Jr.
Wilson Dickerson
Joe Kirkland
James Marstin
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Josh Pribble, Operations Superintendent
Wendy Meese, Accounting Manager
April Farmer, Technology Coordinator

A3. OTHERS PRESENT

Mr. Kenny Brown, Board of Supervisor from the Spring Hill District

B. PUBLIC HEARING – FY24 PROPOSED RATE AND FEES

Authorization to advertise and hold a public hearing for changes in the Rates, Charges and Customer Information policy was approved by the Authority Board in Regular Session on April 25, 2023. Rates and charges have been established pursuant to §15.2-5136 of the Code of Virginia. Major changes or additions are summarized as follows:

The overall increase in the water bill for a residential customer using 13 units per billing cycle with the proposed increase in base fee and usage rate would be \$4.90 for a two-month cycle (\$2.45 per month), or 6.4%.

13 units x \$4.65 current rate = \$60.45 + \$16 current base fee = \$76.45 for 2 months
13 units x \$4.95 proposed rate = \$64.35 + \$17 proposed base fee = \$81.35 for 2 months
Proposed increase in bi-monthly bill would be \$4.90, or \$2.45 per month, 6.4% total increase.

Of the Authority's 8,937 customers, there are approximately 3,050 customers that also have sewer. The sewer portion of the bill for the same usage would be as follows:

13 units x \$4.90 current rate = \$63.70 + \$12 current base fee = \$75.70 for 2 months
13 units x \$5.75 proposed rate = \$74.75 + \$14 proposed base fee = \$88.75 for 2 months
Proposed increase in bi-monthly bill would be \$13.05, or \$6.53 per month, 17.2% total increase.

Putting the water and sewer fees together into one combined bill would be:

Current combined bill – 13 units – water \$76.45 and sewer \$75.70 = \$152.15
Proposed combined bill – 13 units - water \$81.35 and sewer \$88.75 = \$170.10
Proposed increase in bi-monthly bill would be \$17.95, or \$8.98 per month, 11.8% total increase.

Mr. Kenny Brown expressed appreciation for how the Castle Craig project was handled and how quickly construction was completed. Mr. Brown stated that handing projects in this manner is a big asset to Campbell County.

Since there were no further comments, the public hearing was closed at 7:23 pm.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the Authority meeting be adjourned at 7:24 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this _____ day of _____, 2023, with _____ of _____ members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Special Meeting
June 27, 2023 at 5:00 pm

Place: Citizens Services Building
85 Carden Lane
Rustburg, VA 24588

A. CALL TO ORDER – Charlie Droog – Chairman - called the meeting to order at 5:00 P.M. with the Pledge of Allegiance and a Prayer

A1. MEMBERS PRESENT

Charlie Droog, Chairman
Don Austin, Vice-Chairman
Carter S. Elliott, Jr.
Wilson Dickerson
Joe Kirkland
James Marstin
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Josh Pribble, Operations Superintendent
Wendy Meese, Accounting Manager
April Farmer, Technology Coordinator

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

C1. **MOTION:** Mr. Austin made a motion, seconded by Mr. Dickerson, that the Minutes of the May 23, 2023 Board Meeting be approved.

ACTION: Approved Unanimously.

- C2. **MOTION:** Mr. Kirkland made a motion, seconded by Mr. Austin, that the Minutes of the June 5, 2023 Public Board Meeting be approved.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 7,581,162.60
Expenses:	\$ 5,524,605.85
Budgeted Capital:	\$ 1,461,100.00
Surplus/(Deficit) to date:	\$ 2,056,556.75/ \$595,456.75
Total "Unencumbered"	\$ 4,174,390.43
Bank Balance 5/31/23:	\$ 11,263,850.21

VENDORS

No permanent vendors were added in May 2023:

Final Bills, reimbursements of overpayments, refunds of Account Establishment Fees (AEF) (address available upon request):

Shontarris C. Hayes	C.E.Coleman
Timothy D. Haberly	Reynaldo Ochoco Buendia

Since no new vendors were added, no motion was necessary.

D2. OPERATIONS REPORT

Mr. Pribble briefly reviewed the statistical and operation reports for May 2023. Copies of said reports are available in the Authority office.

Treatment at the Otter River Water Plant was up 4.7 percent (39,233,000 gallons) compared to May 2022. Sales to the Town of Altavista have increased 3.0 percent (451,844 gallons) from the previous year. Sales to the East System have decreased by 7.8 percent (13,218,804 gallons). Usage in Naruna increased 20.3 percent (2,669,212 gallons) from the previous year. Overall water system usage increased 5.0 percent (41,481,036 gallons) to date this fiscal year compared to fiscal year 2022.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) decreased 15.6 percent (2,009,000 gallons) compared to last fiscal year. Wastewater sent to the City of

Lynchburg for treatment increased 1.8 percent (3,287,531 gallons) from last fiscal year. The overall result was an increase in wastewater treatment for the fiscal year of 0.7 percent (1,278,531 gallons) from last year.

There were 13 new water connections serving 14 units and 9 new sewer connections serving 10 units in the month of May 2023 compared to 20 new water connections and 17 new sewer connections serving 21 and 18 units, respectively, in May 2022.

There were 70 disconnections for non-payment of bills in May compared to 73 disconnections for non-payment in May 2022. The year-to-date number of disconnections through May 2023 reflects an increase of 33 disconnections for FY23 compared to FY22. (As a reminder, the Disconnection Moratorium was in effect for a portion of FY22.)

The Authority had 8,963 metered water connections serving 14,370 units and 3,078 sewer connections serving 5,333 units as of May 31, 2023.

There were 1,109 travel points during the month of May 2023, which was an average of 55 stops per workday.

The Otter River was flowing at approximately 153 mgd on the meeting date and the record low for June 27th was 7.7 mgd in 2002. The median flow for June 27th was 114 mgd.

D3. ENGINEERING REPORT

The Construction report was distributed and is available at the office for review.

80-2002 English Commons On-Site Water and Sewer

The Contractor is slowly working to complete punch list items that were sent almost one year ago.

80-2004 Wards Road Bridge over NS Railroad

VDOT has issued an "interim completion" instead of a substantial completion. The Authority paid betterment costs to upgrade the feed for the water system from a four-inch feed to an eight-inch feed. Authority staff has requested closeout information.

80-2009 Rustburg Middle School Water and Sewer improvements

An as-built survey has been received but record drawings have not yet been received. Mr. Wagner has requested record drawings from Mr. Bill Gillespie. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed.

80-2102 Carriage Grove Section 3C

AIA forms have been received but staff is still waiting on record drawings and final costs. It is anticipated this project will be ready to close by the June Board meeting.

80-2003 Lynchburg Airport Rangoon Road Meter

Authority staff is waiting on closeout information for this project.

80-2105 Village Drive Patio Homes

Authority staff is in the process of preparing a punch list.

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

Bids for this project were due February 16, 2023; however, no bids were received.

This project will be bid on November 21, 2023. Mr. Wagner has spoken to a couple of potential contractors, and they have stated they will be available to bid on the project in the fall of 2023.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

This project was awarded to County & Dobyns at the June 2023 Board meeting. The Contractor plans to begin construction late-July or early-August 2023.

80-2206 Home2Suites Motel

Authority staff is awaiting a site Contractor before installing meters for the 2" domestic service and 1" irrigation service.

80-2205 Liberty University Aviation Maintenance Facility

This project is complete. This project will be closed when the remaining closeout information is received.

80-2104 Castle Craig Water System Replacement

Mr. Wagner stated he has reviewed the Asset Management Plan with Hurt & Proffitt but is waiting for spreadsheets that Mr. Wagner will mark up and return to Hurt & Proffitt.

80-2204 Merryman Parcels Off-Site Sewer (The Allure)

Authority staff needs to invoice the Developer for CCTV that was performed and then this project can be closed.

80-2208 Merryman Parcels On-Site Water and Sewer (The Allure)

The water portion of this project is complete. Authority staff is waiting on CCTV videos so the sewer can be inspected.

80-2215 Absolute Storage (Combined with Chick-fil-A)

All water and sanitary sewer services are complete; however, there still needs to be a radio endpoint on the detector meter. In response to a question raised by Mr. Marstin, an endpoint is for the Authority's meter reading software, so that the meter can be read using radio-read technology. There have been supply-chain issues with the radio endpoints in 2023. Authority staff met with Badger Meter June 24, 2023 and there is still a four-month lead-time to get endpoints.

80-2101 Trent's Landing – Section 3

Construction on this project will begin soon.

80-2214 Office Renovation Project

Authority staff performed a punch list inspection on June 26, 2023. The Contractor will be wrapping up in the next couple of weeks. Movers have been scheduled to assist with moving furniture in July. It is anticipated that the July Board meeting will be held in the conference room in the Timberlake office. Mr. Wagner stated that Coleman-Adams did an outstanding job.

80-1904 Emberly Way Villas

This project was presented for acceptance into the Authority System. The project consisted of 1,510 linear feet of on-site water mains along with all valves, fittings, fire hydrants, services, and associated appurtenances; 1,035 linear feet of gravity sewer mains along with all manholes and sewer laterals; and improvements to the Whitestone Village Wastewater Pump Station as required to serve 68 townhomes in 13 buildings. As the Authority had already budgeted \$22,000 for replacement of the existing 7.5 hp wastewater pumps, that amount was deducted from fees owed by the developer, as the developer was upgrading the pumps to 10 hp. The Authority also agreed to deduct from fees owed by the developer \$53,500 to have the proposed 8-inch waterline extended to the dead end of the existing 6-inch waterline on Arrowhead Drive. This created three new loops in the Authority's water distribution system which should improve water quality and reliability in the area between Timberlake Road and Arrowhead Drive. The project will be capitalized in FY23 for \$491,318.57. All invoices have been paid and all required information has been received. Authority staff has forwarded the release for the surety bond held on the project.

Staff recommended the project be accepted into the Authority system:

MOTION: Mr. Richardson made a motion, seconded by Mr. Dickerson, that the Emberly Way Villas water and sewer infrastructure be accepted into the Authority system.

ACTION: Approved Unanimously.

80-2102 Carriage Grove – Section III Block C

This project was presented for acceptance into the Authority System. The project consisted of 827 linear feet of on-site water mains along with all valves, fittings, fire hydrants, services, and associated appurtenances required to serve 13 single family residences. The project will be capitalized in FY23 for \$80,622.09. All invoices have been paid and all required information has been received. Authority staff has forwarded the release for the surety bond held on the project.

Staff recommended the project be accepted into the Authority system:

MOTION: Mr. Austin made a motion, seconded by Mr. Kirkland, that the Carriage Grove – Section III Block C water infrastructure be accepted into the Authority system.

ACTION: Approved Unanimously.

81-2319 CCUSA Office Sanitary Sewer Connection – For Information

At a previous Board Meeting, it was mentioned that the CCUSA Offices are the only building in the vicinity to still be on septic and drainfield. From this discussion, Staff decided to explore the possibility of connection to the existing sanitary sewer system. To do so would involve extending a 6-inch lateral to the existing 6-inch private sewer at Allied Security and acquiring the private sewer from Crosspoint Properties, LLC (Calvary Chapel). After surveying and designing the 6-inch sewer extension, staff obtained a quote from TCI to perform the work. Their quote was \$60,000.

The cost to pump the septic tank every 5 years is approximately \$500 (The last time the tank was pumped was in November 2019 and the Authority paid \$425.) As such, the Authority can pay to have the septic tank pumped for the foreseeable future.

Note that Calvary Chapel did not say no to transferring the existing 6-inch line to the Authority and granting an easement for the new 6-inch sewer, so the option of connecting to the public sanitary sewer is still open for the future as long as the existing drainfield is functional.

In response to a question raised by Mr. Cline, if the Authority's drainfield failed, the Authority would be required to obtain a pump and haul permit until connection could be made to the public system. Mr. Wagner stated that construction would only take a few days because Toney Construction would make the connection via directional drill. The Authority would have to obtain an easement from Crosspoint Properties, LLC. The Board directed Authority staff to proceed with negotiating an easement with Crosspoint Properties, LLC, so there would not be a delay if the Authority needs to make connection to the public system in the future. There is an issue with a right-of-way that crosses the parking lot near Calvary Chapel that involves the County. There are potholes in the parking lot that would require grading approximately eight inches deep. Mr. Wagner stated he would approach Crosspoint Properties, LLC to see what the request would be to obtain the easement. Fixing the potholes for Crosspoint was discussed, but it was determined it would be expensive. Campbell County owns the right-of-way; however, the County does not have a program that would fix the potholes.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the Authority office for review.

1. Activities Calendar – Distributed and is on file in the Authority office.
2. Next Board Meeting – Tuesday, July 25, 2023 at 5:00 p.m. in the CCUSA Boardroom on Timberlake Road.
3. 2023 Telework Report – Distributed and is on file in the Authority office. Nothing new was reported for the month of May, 2023.
4. Highway 24 DIP Investigation - Corrpro and US Pipe completed field work during the week of June 5th. An approximately sixteen-foot section of pipe was replaced near Harvey's Lane. The section included two blowhole failures and a bell section. This pipe will undergo a metallurgical analysis by Corrpro and US Pipe. Once the data analysis is complete Corrpro will provide the Authority with a comprehensive report with recommendations. Mr. Wells stated it will be approximately one month before the results of the analysis will be available. Preliminary data and observations indicate a combination of corrosive soil, moisture, acid producing bacteria, and sulfate reducing bacteria are the likely causes of the failures.

Pictures of the section of pipe that was extracted were reviewed. There were blowholes visible when the pipe was extracted; however, CorrPro sandblasted their section of pipe and more blowholes appeared. There would have been more failures in the pipe if the pipe had not been extracted.

In response to a question raised by Mr. Dickerson, there have not been recent blowhole failures in the Route 24 line since the last Board meeting.

In response to a question raised by Mr. Richardson, the soil around the pipe was stiff and gray and had a consistency similar to modeling clay.

In response to a question raised by Mr. Marstin, it is possible that the ductile iron pipe could be replaced with C-900 pipe or HDPE pipe in the areas of corrosion. Mr. Wells stated there is also a protective wrap that is relatively inexpensive and would be installed when replacing the pipe; however, wrapping the pipe is a time-consuming process.

5. Proposed Investment Opportunity – The Authority advertised an RFP soliciting proposals for investment opportunities which were due May 19th. We received a proposal from First Citizens Bank for a ladderred US Treasury investment structure with a one-year term. Right now, short term yields are higher than longer term yields, which is known as an inverted yield curve. Representatives from First Citizens believe the inverted yield curve will start to change over the next year and this ladderred investment strategy would allow us to transition to a longer term, potentially higher yield as bonds mature each month.

Investment Amount	Interest (5.25%)	Fee	Net Proceeds
\$5,000,001	\$262,500	\$12,750	\$249,750
\$4,000,000	\$210,000	\$13,400	\$196,600
\$3,000,000	\$157,500	\$10,050	\$147,450
\$2,000,000	\$105,000	\$7,500	\$97,500

In addition, Davenport provided a proposal to review the Authority's financials, develop a plan of investment and assist staff with soliciting proposals from financial institutions.

Wells Fargo had expressed interest but did not submit a proposal.

Mr. Kirkland stated the Authority could invest a higher amount because the investment will be liquid. In response to a question raised by Mr. Kirkland, Authority staff is researching whether the Bond required minimums can be invested in liquid Treasury Investments.

In response to a question raised by Mr. Elliott, Authority staff is comfortable with the analysis performed in-house and do not feel it is necessary to contract Davenport to perform an analysis.

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the Authority invest \$5,000,001 with First Citizens as described above.

ACTION: Approved Unanimously.

E. BOARD ACTION ITEMS

E1. ELECTION OF OFFICERS

Chairman Droog announced that in accord with the Authority Bylaws, officers for 2023-2024 are to be elected at this meeting. Nominations for the offices of Chairman, Vice Chairman, and Secretary and/or Treasurer will be accepted. The present incumbents are Charlie Droog, Chairman; Don Austin, Vice Chairman; April Farmer, Treasurer, Wendy Meese, Secretary.

The Board acted on all offices in one motion.

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland that all current incumbents be elected for another one-year term beginning July 1, 2023.

ACTION: Approved Unanimously.

E2. PROPOSED RATE INCREASE

A proposed rate increase was advertised in the local newspaper and a public meeting was held on June 5, 2023 with one person in attendance. There were no comments or concerns voiced before or following the meeting about the proposed increase.

The overall increase in the water bill for a residential customer using 13 units per billing cycle with the proposed increase in base fee and usage rate would be \$4.90 for a two-month cycle (\$2.45 per month), or 6.4%.

13 units x \$4.65 current rate = \$60.45 + \$16 current base fee = \$76.45 for 2 months
 13 units x \$4.95 proposed rate = \$64.35 + \$17 proposed base fee = \$81.35 for 2 months
 Proposed increase in bi-monthly bill would be \$4.90, or \$2.45 per month, 6.4% total increase.

Of the Authority's 8,937 customers, there are approximately 3,050 customers that also have sewer. The sewer portion of the bill for the same usage would be as follows:

13 units x \$4.90 current rate = \$63.70 + \$12 current base fee = \$75.70 for 2 months
 13 units x \$5.75 proposed rate = \$74.75 + \$14 proposed base fee = \$88.75 for 2 months
 Proposed increase in bi-monthly bill would be \$13.05, or \$6.53 per month, 17.2% total increase.

Putting the water and sewer fees together into one combined bill would be:

Current combined bill – 13 units – water \$76.45 and sewer \$75.70 = \$152.15
 Proposed combined bill – 13 units - water \$81.35 and sewer \$88.75 = \$170.10
 Proposed increase in bi-monthly bill would be \$17.95, or \$8.98 per month, 11.8% total increase.

Staff recommended that the Board approve the proposed Rate Increases.

MOTION: Mr. Kirkland made a motion, seconded by Mr. Dickerson, to increase the water rate and base fees as follows:

Water Rate from \$4.65 per HCF to 4.95 per HCF
 Water Base Fee from \$16 per billing cycle to \$17 per residential unit per billing cycle

The water base fee will increase \$1 to residential customer bi-monthly bills with the water base fee increasing proportional to meter size according to the following chart:

WATER BASE FEE:

<u>Service Size</u>	<u>Bi-monthly Charge</u>
3/4" X 5/8" Meter	\$ 17.00
1" Meter	\$ 23.00
1-1/2" Meter	\$ 37.00
2" Meter	\$ 56.00
3" Meter	\$111.00
4" Meter	\$164.00
6" Meter	\$270.00
8" Meter	\$403.00

The revised rates are to become effective and be applied to all bills rendered with a billing date of September 1, 2023 or later.

ACTION: Approved Unanimously.

MOTION: Mr. Kirkland made a motion, seconded by Mr. Elliott, to increase the sewer rate and base fees as follows:

Sewer Rate from \$4.90 per HCF to \$5.75 per HCF
Flat Sewer Fee from \$61.00 per billing cycle to \$71.50 per billing cycle
Sewer Base Fee from \$12 per billing cycle to \$14 per residential unit per billing cycle

The sewer base fee will increase \$2 to residential customer bi-monthly bills with the sewer base fee increasing proportional to meter size according to the following chart:

<u>Service Size</u>	<u>Bi-monthly Charge</u>
4" Sewer Service	\$14.00
6" Sewer Service	\$33.00
8" Sewer Service	\$55.00
10" Sewer Service	\$63.00
12" Sewer Service	\$90.00

Flow rates that exceed the minimum slope capacity of the respective service size shall be charged the next appropriate size and charge. For pumped sewers, the bi-monthly charge shall be based on ERU's. (Example: 3 ERU's = \$42 bi-monthly)

The revised rates are to become effective and be applied to all bills rendered with a billing date of September 1, 2023 or later.

ACTION: Approved Unanimously.

E3. FY24 BUDGET

The FY24 budget has been reviewed by the budget committee and distributed to board members at the May 2023 meeting. The budget without a rate increase is:

EXPENSES:

<u>DIVISION</u>	<u>BUDGET REQUEST</u>
Personnel	\$ 2,796,838
Administration	723,000
Source of Supply (Water Plant & City Purchases)	1,360,750
Wastewater Treatment (Rust. & Concord WWTPs & City)	639,600
Maintenance/Inspection	876,850
Naruna	34,080
Debt Service	504,517
CIP & Reserves	<u>1,719,500</u>
 TOTAL EXPENSES	 \$ 8,655,135
 TOTAL REVENUES	 \$ 8,463,765
 PROJECTED DEFICIT	 \$ (191,370)

The Budget including the proposed rate increases beginning with the September 2023 billing is:

EXPENSES:

<u>DIVISION</u>	<u>BUDGET REQUEST</u>
Personnel	\$ 2,796,838
Administration	723,000
Source of Supply (Water Plant & City Purchases)	1,360,750
Wastewater Treatment (Rust. & Concord WWTPs & City)	639,600
Maintenance/Inspection	876,850
Naruna	34,080
Debt Service	504,517
CIP & Reserves	<u>1,719,500</u>
 TOTAL EXPENSES	 \$ 8,655,135
 TOTAL REVENUES	 \$ 8,890,765
 PROJECTED SURPLUS	 \$ 235,630

Staff will attempt to be prepared with revised numbers based on decisions made in E2.

Staff recommended that the Board approve the FY24 Budget including the outcome of the motion made in E2.

MOTION: Mr. Elliott made a motion, seconded by Mr. Richardson, that the Board approve the FY24 Budget.

ACTION: Approved Unanimously.

F. MATTERS FROM THE BOARD

F1. Damaged Waterlines from Fiber Optic Installation

In response to a question raised by Mr. Droog, the Authority has had several lines damaged while various companies are installing fiber optic cable lines throughout the County. There are several different subcontractors involved. Invoices for each incident have been forwarded to each subcontractor in question; however, no payments have been received from any of the subcontractors. The combined damages as of the meeting date are approximately \$10,000. Mr. Wells stated Bedford County is having the same experience. Mr. Wells stated that staff will work to contact Lumos and Comcast to address the issue. If this does not result in payment, Authority staff will contact the SCC to file a formal complaint. Mr. Wells stated he will also see if a lien can be filed.

In response to a question raised by Mr. Austin, three main waterlines have been damaged, but the other damage has been to service lines.

Mr. Clif Tweedy stated that the companies that received ARPA Grants to lay fiber optic lines in Campbell County are still in the design phase and have not started installing lines, so the work being performed is not using governmental funds.

The subcontractors are damaging other infrastructure besides waterlines. Mr. Pribble stated that existing cables in Wildwood that were installed by Shentel (a competitor of Lumos and Comcast) were damaged to the extent that it shut down Shentel's service to that entire area. Mr. Wagner stated that VDOT stopped the installation when the subcontractor damaged signal controls at the intersection of Timberlake Road and Farfields.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Richardson, that the Authority meeting be adjourned at 6:23 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. Dickerson , seconded by Mr. Austin , these minutes are approved this 25th day of July , 2023, with 7 of 7 members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
July 25, 2023 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Charlie Droog – Chairman - called the meeting to order at 5:00 P.M. with the Pledge of Allegiance and a Prayer.

A1. MEMBERS PRESENT

Charlie Droog, Chairman
Don Austin, Vice-Chairman
Carter S. Elliott, Jr.
Wilson Dickerson
Joe Kirkland
James Marstin
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Josh Pribble, Operations Superintendent
Wendy Meese, Accounting Manager
April Farmer, Technology Coordinator

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Dickerson made a motion, seconded by Mr. Austin, that the Minutes of the June 27, 2023 Board Meeting be approved.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 8,183,242.10
Expenses:	\$ 5,935,393.59
Budgeted Capital:	\$ 1,461,100.00
Surplus/(Deficit) to date:	\$ 2,247,848.51/ \$786,748.51
Total "Unencumbered"	\$ 4,444,824.13
Bank Balance 6/30/23:	\$ 10,708,861.94

Ms. Meese noted that June is the last month of the fiscal year, and more expenses will be accrued to June; therefore, this report is preliminary and will change. A final report for FY23 will be presented at the Board meeting in October, after completion of the Audit scheduled for the week of September 11, 2023.

VENDORS

No permanent vendors were added in June 2023:

Final Bills, refunds of Account Establishment Fees (AEF) (address available upon request):

Hana Trent	Keira Robinson
Michael Anderson	Uprite Logistics, LLC
Hannah Brooks	Michael I. Apperson
Janina Madigan	Elisah McGee

Since no new vendors were added, no motion was necessary.

D2. OPERATIONS REPORT

Mr. Pribble briefly reviewed the statistical and operation reports for June 2023. Copies of said reports are available in the Authority office.

Treatment at the Otter River Water Plant was up 4.4 percent (39,830,000 gallons) compared to June 2022. Sales to the Town of Altavista have increased 1.1 percent (210,809 gallons) from the previous year. Sales to the East System have decreased by 6.5 percent (11,695,128 gallons). Usage in Naruna increased 22.7 percent (3,239,660 gallons) from the previous year. Overall water system usage increased 4.7 percent (42,889,519 gallons) to date this fiscal year compared to fiscal year 2022.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) decreased 15.2 percent (2,093,000 gallons) compared to last fiscal year. Wastewater sent to the City of Lynchburg

for treatment increased 1.6 percent (3,010,923 gallons) from last fiscal year. The overall result was an increase in wastewater treatment for the fiscal year of 0.5 percent (917,923 gallons) from last year.

There were 3 new water connections serving 3 units but no new sewer connections in the month of June 2023 compared to 30 new water connections and 24 new sewer connections serving 30 and 24 units, respectively, in June 2022.

There were 61 disconnections for non-payment of bills in June compared to 73 disconnections for non-payment in June 2022. The year-to-date number of disconnections through June 2023 reflects an increase of 21 disconnections for FY23 compared to FY22. (As a reminder, the Disconnection Moratorium was in effect for a portion of FY22.)

The Authority had 8,966 metered water connections serving 14,373 units and 3,078 sewer connections serving 5,333 units as of June 30, 2023.

There were 1,029 travel points during the month of June 2023, which was an average of 51 stops per workday.

The Otter River was flowing at approximately 235 mgd on the meeting date and the record low for July 25th was 13 mgd in 2002. The median flow for July 25th was 135 mgd.

In response to a question asked by Mr. Dickerson, the recent rain experienced in the County has resulted in six of the sewage pump stations working hard to maintain levels: Flat Creek; Lawyers Road; Oakdale; Leesville Road; Rustburg; and Whitestone. There was approximately four inches of rain within a one-hour timeframe. In response to a question raised by Mr. Richardson, the impact on the pump stations was a result of inflow and infiltration.

D3. ENGINEERING REPORT

The Construction report was distributed and is available at the office for review.

80-2002 English Commons On-Site Water and Sewer

The Contractor is slowly working to complete punch list items that were sent almost one year ago.

80-2004 Wards Road Bridge over NS Railroad

Authority staff has received a set of drawings, but it was the Contractor's field set and was not "record drawings". This set of drawings will be returned to VDOT and pdf versions will be requested. Authority staff is also awaiting other closeout information.

80-2009 Rustburg Middle School Water and Sewer improvements

An as-built survey has been received but record drawings have not yet been received. Mr. Wagner has requested record drawings from Mr. Bill Gillespie. Final costs and American

Institute of Architects (AIA) close-out forms are also needed before the project can be closed.

80-2003 Lynchburg Airport Rangoon Road Meter

Authority staff is waiting on closeout information for this project.

80-2105 Village Drive Patio Homes

Authority staff is in the process of preparing a punch list.

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

This project will be bid on November 21, 2023.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

A Notice to Proceed has been issued for August 7, 2023. Mr. Wagner stated that, thanks to Mr. Clay Stanley and Mr. Brad Fisher of Campbell County Schools, the Authority will have the necessary easement in place to begin laying the force main.

80-2206 Home2Suites Motel

Authority staff is awaiting a site Contractor to provide stakeout so that the Authority can install meters for the 2" domestic service and 1" irrigation service.

80-2205 Liberty University Aviation Maintenance Facility

This project is complete. This project will be closed when the remaining closeout information is received.

80-2104 Castle Craig Water System Replacement

Mr. Wagner stated he has reviewed the Asset Management Plan with Hurt & Proffitt but is waiting for spreadsheets that Mr. Wagner will mark up and return to Hurt & Proffitt.

80-2204 Merryman Parcels Off-Site Sewer (The Allure)

There is one outstanding invoice for CCTV that was performed and then this project can be closed.

80-2212 Blue Ridge Commons – Section 2

Once the Developer secures financing, this project will move forward.

80-2208 Merryman Parcels On-Site Water and Sewer (The Allure)

The water portion of this project is complete. Authority staff is waiting on CCTV videos so the sewer can be approved.

80-2215 Absolute Storage (Combined with Chick-fil-A)

Construction is complete, Authority staff is waiting on a few close-out items.

80-2101 Trent's Landing – Section 3

Construction has recently started.

80-2214 Office Renovation Project

There are a couple of minor items to be addressed on this project. This project will be closed in the next couple of months.

80-2309 The Allure – Section 2

Authority staff is waiting on shop drawings.

80-2210 Leesville Road Apartments

Shop drawings have been reviewed. The Contractor should begin the sewer portion of the project on July 26, 2023.

80-2307 Leesville Road Apartments – Off-Site Water Extension

The Developer is working through final VDOT comments before construction can begin.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the Authority office for review.

1. Activities Calendar – On file in the Authority office.
2. Next Board Meeting – Tuesday, August 22, 2023 at 5:00 p.m. in the CCUSA Boardroom on Timberlake Road.
3. 2023 Telework Report – The report of telework activities during 2023 is on file in the Authority office.
4. Highway 24 DIP Investigation - Corpro is working to finalize their report on the findings in order to make recommendations on the blowhole failures of the highway 24 waterline. Corpro is waiting for the results of the metallurgical analysis of the pipe before finalizing their report. Pictures of the fieldwork were reviewed during the meeting. Said pictures are on file in the Authority office. Preliminary data and observations indicate a combination of corrosive soil, moisture, and both sulfate reducing & acid producing bacteria are the likely causes of the failures. A final report is expected by mid-August 2023.
5. Investment Opportunity – As the Board directed at the June 2023 meeting, staff has established an investment account with First Citizens Bank for a ladder US Treasury investment structure with a one-year term. In response to a question raised by Mr. Kirkland, an analysis was performed by Authority staff to determine which funds would be used to meet the initial investment amount of \$5,000,001; however, after a few months staff will evaluate the possibility of investing more funds. Mr. Kirkland stated that the Authority could contract Davenport or another entity to analyze funds available for investment. Mr. Kirkland stated that having a consultant confirm how much is invested would provide some reassurance; however, that would also cost the Authority money.
6. Damages to Infrastructure - Staff has made some progress in getting invoices paid from various subcontractors who are installing fiber optic cable. Lumos hired S & N Communications who has hired various subcontractors to lay fiberoptic lines throughout Campbell County. Authority staff discussed the situation with representatives from Lumos and S & N Communications and requested assistance in getting the outstanding invoices paid. S & N Communications has been following up on this matter directly with their subcontractors who have been responsive.

E. BOARD ACTION ITEMS

E1. Contract for Professional Services

Authority staff will be requesting proposals for professional services. The current contracts were executed in November 2018 and the final automatic renewal will expire in November 2023. The timeline for procurement of professional services is:

Advertise – August 13, 2023.

Receive proposals – September 19, 2023.

Selection committee meeting – 2nd week of October 2023.

Present selected firms to Board – October 24, 2023.

Issue contracts – November 1, 2023.

The selection committee in 2018 was Wilson Dickerson, Frank Davis, and Tim Wagner. The Board appointed Mr. Wilson Dickerson to serve on the selection committee for 2023 with Mr. Jeff Wells and Mr. Tim Wagner. Mr. Wagner stated that the Authority will have between three and five consultants selected and that the contract is worded in a way that will allow Campbell County to also use the consultants selected.

F. MATTERS FROM THE BOARD

F1. FY24 Rate Increase

In response to a question raised by Mr. Dickerson, Customer Service staff has not received feedback regarding the increase in water and sewer rates for the upcoming year. A notice was placed in the July and August 2023 bills; however, the rates will not take effect until the September 2023 billing.

F2. Pond constructed on Easement on Lynbrook Road

Mr. Ricky Vance with Vance Builders owns a piece of property on Old Lynbrook Road. Mr. Vance has constructed a pond on top of an Authority easement. Authority staff was made aware of the pond when Maintenance was called for a fire hydrant on the property being under water. Mr. Wells and Mr. Josh Pribble met with the property owner and followed up with a letter to the property owner as well as the resident of the property on Lynbrook, giving a deadline of July 31, 2023 for the water to be removed from the easement. If action is not taken in a timely manner by the property owner, the Authority will be forced to take legal action. The waterline in question is a 20-inch waterline that conveys water from the Tanglewood tank to the Timberlake area and the Authority needs clear access to the waterline.

Mr. Wells stated that Authority staff will visit the property in question by July 31, 2023 to see if there is any change; however, as of the meeting date, there has been no change. It is unlikely Mr. Vance will be able to remove the water in time to meet the July 31, 2023 deadline, so the Authority will contact legal counsel to take action.

F3. CCUSA Office Sanitary Sewer Connection

The Board directed Authority staff to contact Crosspoint Properties, LLC, to negotiate an easement in case there was ever a need to connect the Authority's Timberlake office to public sewer. There are potholes in a right-of-way held by Campbell County and Crosspoint Properties has expressed interest in having the potholes fixed in exchange for the easement. Fixing the potholes would be an expensive project for the County and would start a precedent. Mr. Wagner stated he would approach Crosspoint Properties, LLC to see what the request would be to obtain the easement.

Mr. Wagner is working to send a written easement description and a drawing to Calvary Baptist Church

F4. Thank you to Campbell County Staff

Mr. Droog thanked Mr. Clif Tweedy and the staff of Campbell County for allowing the Authority Board meetings to take place in Campbell County facilities while the renovations at the Timberlake office were taking place.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the Authority meeting be adjourned at 6:07 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this _____ day of _____, 2023, with _____ of _____ members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
August 22, 2023 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Charlie Droog – Chairman - called the meeting to order at 5:00 P.M. with the Pledge of Allegiance and a Prayer.

A1. MEMBERS PRESENT

Charlie Droog, Chairman
Don Austin, Vice-Chairman
Carter S. Elliott, Jr.
Wilson Dickerson
Joe Kirkland
James Marstin
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Josh Pribble, Operations Superintendent
Wendy Meese, Accounting Manager
April Farmer, Technology Coordinator

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Richardson made a motion, seconded by Mr. Austin, that the Minutes of the July 25, 2023 Board Meeting be approved.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 966,990.83
Expenses:	\$ 351,437.57
Budgeted Capital/Reserves:	\$ 1,719,500.00
Surplus/(Deficit) to date:	\$ 615,553.26/ (\$1,103,946.74)
Total "Unencumbered"	\$ 2,919,801.37
Bank Balance 7/31/23:	\$ 11,013,727.78

VENDORS

Permanent vendors added since last meeting:

Corpro Companies, Inc.	PO Box 7410575	Chicago, IL
Blake's Tires, LLC	938 Country Road	Lynchburg, VA
TCM Properties	1623 Walkers Crossing Dr	Forest, VA
Steve's Signworx, LLC	117 Vista Centre Dr	Forest, VA

Final Bills, refunds of Account Establishment Fees (AEF) (address available upon request):

Michael Weslowski	Alaya Hamlette
Adams Investment Prop	Brandi Cassady
Billy J. Tuck	Deyjon A. Newton
James L. Page	Jessica L. Phillips
Real Property Management	Hung T. Nguyen

MOTION: Mr. Dickerson made a motion, seconded by Mr. Austin, that the new vendor list for July 2023 be approved.

ACTION: Approved Unanimously

D2. OPERATIONS REPORT

Mr. Pribble briefly reviewed the statistical and operation reports for July 2023. Copies of said reports are available in the Authority office.

Sales to the Town of Altavista have increased 80.7 percent (1,996,980 gallons) from the previous year. Mr. Pribble stated that the Town of Altavista had a few water leaks in the month of July, so usage increased due to Altavista pulling from the Authority to sustain their system. In response to a question asked by Mr. Dickerson, it is unknown if the Authority's assistance is communicated to the Altavista Council Members. Mr. Dickerson stated that there are some Council members that do not believe the Authority is useful to the Town of Altavista, so it would be helpful if events of this nature could be shared with

the Altavista Town Council. Mr. Wagner stated that the Authority sells water at a very low price to the Town of Altavista.

Treatment at the Otter River Water Plant was up 4.1 percent (3,387,000 gallons) compared to July 2022. Sales to the East System have increased by 28.8 percent (3,481,192 gallons).

Usage in Naruna increased 26.5 percent (345,958 gallons) from the previous year. The main cause of this increase was a leak in Georgia Pacific's fire pond, so water was taken from the Authority to refill Georgia Pacific's fire pond. Overall water system usage increased 2.0 percent (1,697,830 gallons) to date this fiscal year compared to fiscal year 2022.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 58.7 percent (447,000 gallons) compared to last fiscal year. There were a couple of large storms in the month of July, and one of these storms resulted in water rising above the riverbank and above the concrete barriers, which infiltrated the lagoon at the RWWTP. Mr. Ryan Wojdyla, the RWWTP Chief Operator, worked that weekend to run the plant to reclaim the lagoons.

Wastewater sent to the City of Lynchburg for treatment increased 8.6 percent (2,065,448 gallons) from last fiscal year. The overall result was an increase in wastewater treatment for the fiscal year of 10.1 percent (2,512,448 gallons) from last year.

There were 5 new water connections serving 112 units and 1 new sewer connection to serve 108 units in the month of July 2023 compared to 8 new water connections and 1 new sewer connections serving 32 and 25 units, respectively, in July 2022. Leesville Road Apartments will be master-metered. Buildings A and C made connection in July, accounting for 108 units of water and sewer. As buildings come online, units served will be added but no new meter connections will be added since the apartment complex is master-metered.

There were 71 disconnections for non-payment of bills in July compared to 54 disconnections for non-payment in July 2022. The year-to-date number of disconnections through July 2023 (only one month) reflects an increase of 17 disconnections for FY24 compared to FY23.

The Authority had 8,971 metered water connections serving 14,485 units and 3,079 sewer connections serving 5,441 units as of July 31, 2023.

There were 946 travel points during the month of July 2023, which was an average of 47 stops per workday. In response to a question raised by Mr. Austin, the increase in water leaks in June and July were a result of damage to the Authority waterlines when fiber optic lines were being placed. Mr. Wells stated that Authority staff is pursuing payment for damages by the subcontractors that damaged Authority infrastructure. Authority staff has been in contact with Comcast and Lumos to pursue payment because contacting the subcontractors directly was not effective.

The Otter River was flowing at approximately 67.2 mgd on the meeting date and the record low for August 22nd was 1.6 mgd in 2002. The median flow for August 22nd was 72.3 mgd.

D3. ENGINEERING REPORT

The Construction report was distributed and is available at the office for review.

80-2002 English Commons On-Site Water and Sewer

The Contractor is working on the last set of buildings near English Tavern Road.

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner stated that he is attempting to get a CAD version of the record drawings; however, the Construction Division of VDOT does not have AutoCAD or MicroStation. Mr. Wagner is now working with the Utility Branch of VDOT in hopes the Utility Division is able to get a CAD version of the record drawings to the Authority.

80-2009 Rustburg Middle School Water and Sewer improvements

An as-built survey has been received but record drawings have not yet been received. Mr. Wagner has requested record drawings from Mr. Bill Gillespie. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed.

80-2003 Lynchburg Airport Rangoon Road Meter

Authority staff is waiting on closeout information for this project.

80-2105 Village Drive Patio Homes

Authority staff is in the process of preparing a punch list.

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

This project will be bid on November 21, 2023.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

A Notice to Proceed was issued for August 7, 2023; however, construction has not begun as of the meeting date. The Contractor is waiting on delivery of the pipe for the project, and then directional drilling of the force main will begin.

80-2206 Home2Suites Motel

The Developer did not like the proposed locations of the 2" domestic service and 1" irrigation service. The Developer has asked Hurt & Proffitt to redesign the location of the meters.

80-2205 Liberty University Aviation Maintenance Facility

This project will be closed when the remaining closeout information is received.

80-2104 Castle Craig Water System Replacement

Hurt & Proffitt is working to finalize the Asset Management Plan.

80-2204 Merryman Parcels Off-Site Sewer (The Allure)

This project is complete. It is hoped this project will be brought to the Board in the next couple of months for acceptance into the Authority system.

80-2212 Blue Ridge Commons – Section 2

Authority staff is waiting for the Developer to rectify a bad check before placing any more meters.

80-2208 Merryman Parcels On-Site Water and Sewer (The Allure)

This project is almost complete. Authority staff is waiting for testing of the waterline to be complete so the water portion can be approved and CCTV videos so the sewer portion can be approved.

80-2215 Absolute Storage (Combined with Chick-fil-A)

Construction is complete, Authority staff is waiting on record drawings.

80-2101 Trent's Landing – Section 3

Mr. Wagner stated the Developer may complain that the Authority is holding up progress on the St. Jude Home; however, the Contractor did not start construction until August 7, 2023. The Authority is not responsible for any delays in construction for this project. The preconstruction meeting was held in January 2023.

80-2214 Office Renovation Project

This project is complete. Authority staff has been trained on the HVAC system. Staff is enjoying the deck and the outdoor tables.

80-2309 The Allure – Section 2

This project is under construction.

80-2210 Leesville Road Apartments

The sewer portion of this project is complete. Testing is scheduled to begin the week of August 28, 2023.

80-2307 Leesville Road Apartments – Off-Site Water Extension

The preconstruction meeting was held August 22, 2023. The Contractor plans to begin construction September 6, 2023. Lane closure will be required for the portion of Leesville Road between Buxton Drive and the Route 460 bypass. Mr. Wagner stated that there may be complaints of traffic delays during this time.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Activities Calendar – On file in the Authority office.
2. Next Board Meeting – Tuesday, September 26, 2023 at 5:00 p.m. in the CCUSA Boardroom on Timberlake Road.
3. 2023 Telework Report – The report of telework activities during 2023 is on file in the Authority office.
4. Highway 24 DIP Investigation – US Pipe has completed their investigation and analysis. The US Pipe report was distributed for review and is on file in the Authority office. Authority staff will meet with US Pipe in September or October 2023 to go over their findings and recommendations. The report from US Pipe indicates the cause of the pipe failing is due to corrosive soil and that the physical properties of the pipe met or exceeded specifications set by AWWA. This report was provided at no cost to the Authority. One of the tests conducted by US Pipe was to sandblast the portion of failed pipe to remove any materials that were not structurally sound. This process exposed holes that were starting in the pipe but had not yet reached the surface. One section of the pipe was covered in a black material that looked like mold, but the testing indicated the black material was actually bacteria.

US Pipe also performed a soils analysis. The soil analysis tested the soil against certain parameters: resistivity, redox, pH, sulfides, and moisture. A score greater than

10 is considered an extremely corrosive environment. The soil that was tested scored above 10 from each location, ranging from 12 to 15.5.

The summary from US Pipe is that there are “pockets” of severely corrosive soils that are in contact with the pipe that is causing the holes of corrosion in the pipe. US Pipe proposed that the Authority replace the pipe in these corrosive “pockets” with ductile iron pipe with zinc coating, wrapped in polyethylene encasement and add cathodic protection to the areas along the pipeline in the “pockets” of corrosion.

The Board discussed that US Pipe would not recommend replacing the existing pipe in the “pockets” with plastic pipe since US Pipe does not have a plastic pipe division. Mr. Dickerson stated that, even if the plastic pipe has to be replaced in 30 years, the plastic pipe option will still be cheaper than the zinc coated ductile iron pipe encased in polyethylene.

Corrpro is also analyzing a portion of the failed pipe but is waiting on a couple of laboratory reports before finalizing their report on the findings and recommendations. Corrpro estimates their report will be complete by the end of August 2023. Once the Corrpro report is available, Authority staff will share the report with the Board. Authority staff will meet virtually with Corrpro to review the report. Mr. Wells stated that he has had some preliminary discussions with representatives from Corrpro and it seems their recommendations will be similar to the recommendations of US Pipe, in that the Authority address the “pockets” of corrosion and replace these portions of pipe with a different material that does not react to the corrosive soil.

Mr. Wells stated that the Authority’s Capital Budget includes money each year to replace aging infrastructure, so replacement of pipe in the affected areas will take top priority in the upcoming years.

In response to a question raised by Mr. Marstin, the Authority will attempt to place the new pipe beside the existing pipe; however, Mr. Wagner stated it will depend on the easement available since some of the waterline is in VDOT right-of-way and some is in private easements.

Another recommendation was to attach an anode to the pipe located in the “pockets” so that the corrosive effect would go to the anodes instead of the pipe.

In response to a question raised by Mr. Droog, the Harvey’s Lane area that has had the most corrosive events is approximately 150 to 200 feet of pipe. There have been eight failings in the Harvey’s Lane section as of the meeting date.

5. Investment Opportunity – Staff has established an investment account with First Citizens Bank for a laddered US Treasury investment structure with an initial one-year term. Investments will mature monthly as long as the Authority has sufficient liquidity and will be reinvested at the most advantageous term and rate. Authority staff has confirmed with Bond Counsel that funds held as part of Bond requirements can be invested in this account as long as the investments are liquid. Going forward, Authority staff will report on investments as part of the Financial Report.

In response to a question asked by Mr. Kirkland, Authority staff would like to remain at the initial \$5 million for the first couple of months until it is known exactly how the ladder strategy works before investing additional funds. Mr. Kirkland expressed interest in increasing the amount invested.

In response to a question raised by Mr. Austin, when Bonds mature monthly, the Advisor will contact Mr. Wells and will ask if the Authority would like to reinvest that

money. Mr. Elliott stated that, unless there is a need for the money that month, the money should be reinvested. The Board directed that, for the initial investment of \$5 million, as the Bonds mature each month, those funds should be reinvested.

6. PFAS – PFAS continues to be a topic of discussion for both water and wastewater utilities across the country. Regulation at very low levels appears to be eminent. AquaLaw will be updating VAMWA/VMDWA members on cost recovery litigation efforts in the next week. AquaLaw has previously been more reserved about recommending members pursue these funds, but that position appears to be changing. While we are not aware of specific needs at this time it is prudent for us to consider steps to offset costs associated with complying with future Regulations.

Napoli Shkolnik Law is working with the National Rural Water Association, Virginia Rural Water, and AWWA to pursue lawsuits against 3M, Dupont, Chemours, and Corteva. This lawsuit has resulted in a settlement of \$1.185 billion that is earmarked for water and wastewater utilities to help with operational costs related to treatment of PFAS. There is also a pending settlement with 3M for \$12.5 billion. When this issue first arose, the Board directed Mr. Wells to contact the Authority's Attorney to discuss whether the Authority should participate in the class action lawsuit. It was decided the Authority would not participate at that time because the Authority has not had any issue with PFAS; however, becoming involved with the negotiations may serve as insurance in the case that PFAS ever becomes an issue for the Authority.

There is a webcast for all water and wastewater utilities on Thursday, August 24, 2023 that Mr. Wells plans to watch. In response to a question raised by Mr. Elliott, there is no initial fee to participate in the class-action lawsuit. Napoli Shkolnik Law will get 25 percent of any settlement that the Authority receives. In response to a question raised by Mr. Richardson, the lawsuit has not yet been settled. There were multiple lawsuits and they've been combined into one lawsuit that is taking place in South Carolina. In response to a question raised by Mr. Dickerson, Mr. Wells stated the only downside that he can see is that the Authority would be locked into a contract with Napoli Shkolnik Law. In response to a question raised by Mr. Marstin, the class-action lawsuit is available to all utilities that participate. Even though the Authority did not participate in the beginning of the lawsuit, the Authority should still be able to participate. Mr. Kirkland expressed concern that the Authority will be locked into a contract that will be hard to terminate.

7. Joint Meeting with Board of Supervisors – Mr. Wells advised that since this year is an election with at least two new Supervisors coming on, the County plans to defer our joint meeting until next year.
8. Christmas Luncheon – We would like to schedule the annual luncheon for Friday, December 15 2023.

E. BOARD ACTION ITEMS

E1. **Extension Agreement – Yellow Branch Mixed Use Development and County Property**

This is an Agreement between the Authority and Luke 10:27, LLC regarding the main stem of the gravity sewer through the Yellow Branch Mixed Use Development. The Authority is paying for the gravity sewer and manholes with ARPA funds allocated by Campbell County. Luke 10:27, LLC is paying for three bid items pertaining to sanitary sewer laterals to serve

70 townhouses and paying for the CCTV inspection of the sanitary sewer laterals. This Agreement is to document which party pays for which bid items and to obtain surety from the Owner for the bid items and CCTV inspection of the sanitary sewer laterals.

The Owner has said that they will deliver the surety for the Agreement within two weeks of the August 22, 2023 CCUSA Board meeting. The Chairman will be contacted once the surety has been delivered to the CCUSA Offices so that he can come sign the Agreement.

MOTION: Mr. Kirkland made a motion, seconded by Mr. Dickerson, to authorize the Chairman to execute the extension agreement with Luke 10:27, LLC to extend the Authority sanitary sewer system to serve Yellow Branch Mixed Use Development and County Property, contingent on the Owner delivering an acceptable surety bond within two weeks of the August 22, 2023 CCUSA Board meeting.

ACTION: Approved Unanimously

E2. **Extension Agreement – Yellow Branch Development – Phase I**

This is an Agreement between the Authority and Luke 10:27, LLC regarding the water and sanitary sewer extensions, other than the main stem of the gravity sewer, in Yellow Branch Development – Phase I. The extensions include 1,767 +/- LF of 8-inch waterline and appurtenances and 1,183 +/- LF of 8-inch gravity sewer and appurtenances to serve 70 townhouses and provide for future extensions into the Yellow Branch Development.

The Owner has said that they will deliver the surety for the Agreement within two weeks of the August 22, 2023 CCUSA Board meeting. The Chairman will be contacted once the surety has been delivered to the CCUSA Offices so that he can come sign the Agreement.

MOTION: Mr. Dickerson made a motion, seconded by Mr. Austin, to authorize the Chairman to execute the extension agreement with Luke 10:27, LLC to extend the Authority sanitary sewer system to serve Yellow Branch Development – Phase I, contingent on the Owner delivering an acceptable surety bond within two weeks of the August 22, 2023 CCUSA Board meeting.

ACTION: Approved Unanimously

F. **MATTERS FROM THE BOARD**

This time is to discuss any matters from the Board members.

F1. **Pond constructed on Easement on Lynbrook Road**

Mr. Ricky Vance with Vance Builders owns a piece of property on Old Lynbrook Road. Mr. Vance has constructed a pond on top of an Authority easement. Authority staff was made aware of the pond when Maintenance was called for a fire hydrant on the property being under water. Mr. Wells and Mr. Josh Pribble met with the property owner and followed up with a letter to the property owner as well as the resident of the property on Lynbrook, giving a deadline of July 31, 2023 for the water to be removed from the easement; however,

Mr. Vance did not take action by the deadline, so the Authority's Attorney wrote a letter to Mr. Vance to advise that Mr. Vance was trespassing on the Authority easement. Mr. Vance then contacted Mr. Wells and Mr. Wells and Mr. Josh Pribble visited the property again. Mr. Vance was told that the pond must be moved at least 10 feet from the waterline and that the overflow pipe needed to be moved to ensure that, even if there was a large amount of rainfall, the water would not reach the location of the waterline. Maintenance staff pot-holed the waterline to find the exact location and the depth of the waterline. The waterline in question is a 20-inch waterline that conveys water from the Tanglewood tank to the Timberlake area and the Authority needs clear access to the waterline. In response to a question raised by Mr. Marstin, Mr. Vance bought the property after the waterline was constructed.

G. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Austin, that the Authority meeting be adjourned at 7:03 p.m.

ACTION: Approved Unanimously

UPON MOTION by Mr. Kirkland, seconded by Mr. Dickerson, these minutes are approved this 26th day of September, 2023, with 7 of 7 members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
September 26, 2023 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Charlie Droog – Chairman - called the meeting to order at 5:00 P.M. with the Pledge of Allegiance and a Prayer.

A1. MEMBERS PRESENT

Charlie Droog, Chairman
Don Austin, Vice-Chairman
Carter S. Elliott, Jr.
Wilson Dickerson
Joe Kirkland
James Marstin (via teleconference)
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Josh Pribble, Operations Superintendent
Wendy Meese, Accounting Manager
April Farmer, Technology Coordinator

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Kirkland made a motion, seconded by Mr. Dickerson, that the Minutes of the August 22, 2023 Board Meeting be approved.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 1,897,370.32
Expenses:	\$ 871,275.16
Budgeted Capital:	\$ 1,719,500.00
Surplus/(Deficit) to date:	\$ 1,026,095.16/ (\$693,404.84)
Total "Unencumbered"	\$ 3,442,435.15
Bank Balance 8/31/23:	\$ 6,468,823.76
Investment Balance 8/31/23:	\$5,015,064.66
Combined Bank Balance 8/31/23:	11,483,888.42

Ms. Meese stated that water and sewer usage fees are slightly behind budget projections due to the timing of rate increases. Authority rate increases went into effect with bills that went out in September 2023 for July through August usage. The percentage should fall more into line once payments are received that include the new rates.

The Water and Sewer Capital Recovery Fees lines show 52.8 and 54.2 percent for the first two months of the fiscal year. Ms. Meese stated that application fees for four of the five apartment buildings within the Leesville Road Apartment complex have been received as of August 2023.

Mr. Wells reviewed the Cash Balance report that indicated which funds were invested as of August 8, 2023. The Authority has funds available to increase the investment once more is learned about the operation of the ladder investment strategy. In the first month of investments, the Authority has approximately \$15,000 in earnings, net of fees. Mr. Wells noted that the interest reported was not a full month since the funds were not invested until August 8, 2023.

VENDORS

Permanent vendors added since last meeting:

Altavista Instruments & Controls, Inc	Altavista, VA
A.M. Davis, Inc.	Midlothian, VA.
Leonard Aluminum Utility Buildings	Mt. Airy NC

Ms. Meese noted that Altavista Instruments & Controls, Inc. is the Authority's new SCADA provider, and that the Authority is moving away from Woodard & Curran. In response to a question raised by Mr. Dickerson, Mr. Wells stated that Authority staff is happy with the services from Altavista Controls so far and that Altavista Controls should be more economical compared to Woodard & Curran since they are local, and services provided by Woodard & Curran involved travel expenses. Altavista Controls spent a few weeks visiting Authority facilities to complete their "discovery phase".

AM Davis was used to purchase a pallet jack for the Water Plant and Leonard Aluminum Utility Buildings was used to purchase a trailer and related materials for the Water Plant.

Vendors for payment of final bills and refunds of Account Establishment Fees for the month of August were as follows:

Christian Lassen	Kathleen N. Harmon
Thomas M. Hargis	Nancy B. Adkins
Lilly Construction Co	Crowell Lane, LLC
Stan P. Carroll	Jacob M. Kessinger
Frances Tomlin	Stephen J. Christensen
Thomas W. Bingham	Bohdan Lonchyna
Blue Ridge Commons	Coleman Inge
Trinity Jones	

MOTION: Mr. Dickerson made a motion, seconded by Mr. Richardson, that the new vendor list for August 2023 be approved.

ACTION: Approved Unanimously.

D2. OPERATIONS REPORT

Mr. Pribble briefly reviewed the statistical and operation reports for August 2023. Copies of said reports are available in the Authority office.

Treatment at the Otter River Water Plant was up 2.4 percent (3,982,000 gallons) compared to August 2022. Overall water system usage increased 4.7 percent (42,889,519 gallons) to date this fiscal year compared to fiscal year 2023.

Sales to the Town of Altavista have decreased 15.8 percent (877,157 gallons) from the previous year. Mr. Pribble stated that the Town of Altavista had a few water leaks in the month of July, so usage was elevated in the month of July; however, the system was shut down in the month of August until the valves could be replaced. Since the line to the Authority system had to be operated manually in the month of August, there was very little usage in the month of August.

Sales to the East System have increased by 33.5 percent (8,004,348 gallons). Mr. Pribble stated he confirmed that usage was high for BWXT in the month of August, leading to a large increase, but Mr. Pribble stated the cause of the increased usage was unknown.

Usage in Naruna increased 46.6 percent (1,177,329 gallons) from the previous year. Mr. Pribble stated that there were fire hydrants that were leaking in the month of August 2023, but that the leaking fire hydrants have been replaced, so the usage should return to normal.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 20.6 percent (382,000 gallons) compared to last fiscal year. In response to a question raised by Mr. Richardson, the increase in usage at the RWWTP was due to school starting back as well as inflow and infiltration from a couple of large storms in the months of July and August.

Wastewater sent to the City of Lynchburg for treatment increased 7.4 percent (2,304,844 gallons) from last fiscal year through August. The overall result was an increase in wastewater treatment for the fiscal year to date of 8.2 percent (2,686,844 gallons) from last year.

There were 19 new water connections serving 118 units and 11 new sewer connections serving 110 units in the month of August 2023 compared to 11 new water connections and 10 new sewer connections serving 45 and 41 units, respectively, in August 2022. Mr. Pribble noted that 4 of the 5 apartment buildings for Leesville Road Apartments have made application over the past two months, two of those buildings account for 108 new units for water and sewer in the month of August.

There were 59 disconnections for non-payment of bills in August compared to 62 disconnections for non-payment in August 2022. The year-to-date number of disconnections through August 2023 reflects an increase of 14 disconnections for FY24 compared to FY23.

The Authority had 8,990 metered water connections serving 14,603 units and 3,090 sewer connections serving 5,551 units as of August 31, 2023.

There were 1,072 travel points during the month of August 2023, which was an average of 54 stops per workday.

The Otter River was flowing at approximately 58 mgd on the meeting date and the record low for September 26th was 8.2 mgd in 2002. The median flow for September 26th was 62 mgd.

D3. ENGINEERING REPORT

The Construction Activities Report was distributed and is available at the office for review.

80-2002 English Commons On-Site Water and Sewer

The Contractor is working on several punch list items.

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner stated that he is attempting to get a CAD version of the record drawings; however, the Construction Division of VDOT does not have AutoCAD or MicroStation. Mr. Wagner is now working with the Utility Branch of VDOT in hopes the Utility Division can get a CAD version of the record drawings to the Authority.

In response to a question raised by Mr. Dickerson, Mr. Wagner stated that Whitman Requardt and Associates, LLP designed this project and Mr. Wagner has contacted Mr. Matthew Hall to see if they could create a set of record drawings. VDOT representatives insist that the design drawings reflect what was actually installed; however, Mr. Wagner stated that this is not always the case. Record drawings are necessary to assist Authority staff to locate infrastructure in the future. If the Authority is unable to get a set of record drawings from Whitman Requardt and Associates, the Authority will contract one if its engineering consultants to survey the area and create a set of record drawings.

80-2009 Rustburg Middle School Water and Sewer improvements

An as-built survey has been received but record drawings have not yet been received. Mr. Wagner has requested record drawings from Mr. Bill Gillespie. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed.

80-2003 Lynchburg Airport Rangoon Road Meter

Authority staff is waiting on closeout information for this project.

80-2105 Village Drive Patio Homes

Authority staff is in the process of preparing a punch list.

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

This project will be bid on November 21, 2023. Mr. Wagner stated the project will be advertised at least one month before the date the bids are due and Authority staff will reach out to prospective contractors to advise the project is again out for bid. This project will also be advertised on the E-VA website.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

Construction has begun on this project.

80-2206 Home2Suites Motel

The Developer did not like the proposed locations of the 2" domestic service and 1" irrigation service. The Developer has asked Hurt & Proffitt to redesign the location of the meters.

80-2205 Liberty University Aviation Maintenance Facility

This project will be closed when the remaining closeout information is received.

80-2104 Castle Craig Water System Replacement

Hurt & Proffitt is working to finalize the Asset Management Plan. Once the Asset Management Plan is completed, this project will be closed and brought to the Board for approval.

80-2204 Merryman Parcels Off-Site Sewer (The Allure)

This project is complete. It is hoped this project will be brought to the Board in the next couple of months for acceptance into the Authority system.

80-2212 Blue Ridge Commons – Section 2

Authority staff is waiting for the Developer to rectify a bad check before placing any more meters.

80-2208 Merryman Parcels On-Site Water and Sewer (The Allure)

This project is almost complete. Authority staff is waiting for testing of the waterline to be complete so the water portion can be approved and CCTV videos so the sewer portion can be approved.

80-2215 Absolute Storage (Combined with Chick-fil-A)

Construction is complete, Authority staff is waiting on record drawings.

80-2101 Trent's Landing – Section 3

The section leading up to the St. Jude Home is active. Construction on the rest of this section is underway.

80-2214 Office Renovation Project

This project is complete. It is hoped this project will be brought to the Board in the next couple of months for Board approval.

80-2309 The Allure – Section 2

This project is under construction.

80-2210 Leesville Road Apartments

The Developer has paid application fees for four of the five buildings, it is anticipated that the fees for the fifth building will be paid soon.

80-2307 Leesville Road Apartments – Off-Site Water Extension

Construction has begun on this project. The Contractor started on Buxton Drive and is working towards Lynview Drive. This will be a 12" feed with interconnection made at Lynview Drive and Charldon Road. These interconnections will be helpful to the Authority in the future, especially in the next phase of the project where the line is continued through the development and an interconnection is made to the 8" line in Farfields, creating a large loop in the Authority system.

D4. DIRECTORS REPORT

1. Activities Calendar – Distributed and is on file in the Authority office.
2. Next Board Meeting – Tuesday, October 24, 2023 at 5:00 p.m. in the CCUSA Boardroom on Timberlake Road.
3. 2023 Telework Report – The report of telework activities during 2023 was distributed and is on file in the Authority office.
4. Investment Report – The monthly portfolio and holding summary report was distributed for review and is on file in the Authority office. Mr. Wells stated that he and Ms. Meese will meet with representatives from First Citizens on Friday, September 29, 2023, to learn how to read the reports that are available. This information will become part of the monthly financial report.
5. Lead Service Line Inventory – Work continues developing a database for service line information in our GIS system. Authority staff has developed a survey that is currently available on the CCUSA-water website and in the front office for walk-in customers to fill out and identify service line material. Each customer could receive a \$10 credit on their bill which is reimbursed by the Authority's grant from VDH. Buck slips will be going out with bills in October & November making customers aware of the program. Mr. Wells stated that Ms. April Farmer has been integral to developing the necessary procedure to meet lead service line inventory needs. Authority staff will also be sharing this information with the Campbell County Building Inspection Department. Mr. Wells stated this will be an extensive process that will become part of doing business for the foreseeable future.
6. Board Feedback – Staff is beginning the process of evaluating current operations including programs, staffing and technology. Authority staff is asking for Board feedback. A questionnaire was distributed for completion by the Board. Staff has also been requested to complete a similar survey. The overall goal is to develop a plan that would identify resource needs with an implementation timeline that will prepare the Authority for continued growth and more sustainable operations. Authority staff will also have the option to submit the questionnaire to Mr. Droog.

In response to comments from the Board, Mr. Wells will develop a list of questions and will reach out to a sample of Contractors and Developers to receive feedback on possible improvements from Authority staff and from the services provided by the Authority. It was stated that these contacts work with other utilities and could possibly give constructive feedback and find out if the Authority has been meeting expectations. A list of these questions will be compiled and brought back to the Board at the October meeting.

7. Highway 24 DIP Investigation – Corrpro has shared a draft report and is still waiting on a couple of laboratory analysis to finalize the report on the findings and recommendations within the next two weeks. Mr. Wells stated that preliminary report findings indicates that soil contamination, bacteria, and moisture are the primary reasons for pipe failure, similar to the finds of US Pipe that was discussed at the August Board meeting.
8. PFAS – The Authority received a Notice of Proposed Class Action Settlement and Court Approval Hearing. There are two proposed settlements, one with Chemours, Corteva and Dupont for \$1.185 billion dollars for public water systems that have a source impacted by PFAS, the second with 3M that is a range from \$10.5 billion to \$12.5 billion. These settlements will be available to approximately 9,000 utility systems in the United States. There is potential that there could be more settlements in the near future. Mr. Wells stated that the PFAS water settlement website estimates that the Authority's share of the proposed settlements could be approximately \$300,000.

The Authority has until December 4, 2023, to make a decision about participation in the settlement. Authority staff will be resampling source water and consulting with legal counsel on the best strategy for the Authority. The pros and cons of participating were discussed, the main con being that, if the Authority participates in the settlement, the Authority may be unable to litigate any of the offenders listed in the case if that entity is responsible for the Authority having reportable limits in the future.

In response to a question raised by Mr. Richardson, the Authority has had some PFAS indicated in some samples, but the amount was less than the reportable limit. The reportable limit is 4 ppt and the Authority's highest unqualified result was less than 1 ppt. Mr. Wells stated that the Authority will sample again within the next year. PFAS sampling is approximately \$500 per sample. Mr. Wagner stated that the Authority hires its own laboratory for sampling because hiring a laboratory allows the Authority to be in control of the communication of the results.

For information, Virginia Western Water Authority (VWWA) had a reportable case. VWWA unknowingly used water from the Roanoke River to feed the reservoir that was contaminated with PFAS because a facility upstream was cleaning equipment contaminated with PFAS and it contaminated the Roanoke River. VWWA had to report the contamination and it has taken months to eliminate the remnants of PFAS and has cost the VWWA approximately \$12 million to update their GAC equipment. For information: GAC equipment is a filter system with granular activated carbon to remove certain chemicals from water.

In response to a question raised by Mr. Elliott, PFAS is being phased out of industries due to this issue.

Mr. Wells stated he will contact Wood Rogers for advice on whether to participate with the settlement. Mr. Wells stated that it might be best to contact AquaLaw since AquaLaw is closely following the cases.

E. BOARD ACTION ITEMS

None

F. MATTERS FROM THE BOARD

F1. Pond constructed on Easement on Lynbrook Road

Excerpt from August meeting: Mr. Ricky Vance with Vance Builders owns a piece of property on Old Lynbrook Road. Mr. Vance has constructed a pond on top of an Authority easement. Authority staff was made aware of the pond when Maintenance was called for a fire hydrant on the property being under water. Mr. Wells and Mr. Josh Pribble met with the property owner and followed up with a letter to the property owner as well as the resident of the property on Lynbrook, giving a deadline of July 31, 2023 for the water to be removed from the easement; however, Mr. Vance did not take action by the deadline, so the Authority's Attorney wrote a letter to Mr. Vance to advise that Mr. Vance was trespassing on the Authority easement.

Mr. Wells stated that Mr. Vance has completed removing the pond from the Authority easement. The overflow pipe was also moved to ensure overflow would not approach the easement during heavy rain. Mr. Wells and Mr. Josh Pribble investigated the property and found the changes satisfactory.

F2. Damages to Waterlines During Installation of Fiber Optic Lines

In response to a question raised by Mr. Richardson, the Authority is continuing to reach out to Lumos and Comcast (Xfinity) to get payment for damages to Authority infrastructure while the subcontractors are laying upgrades to fiber optic lines throughout the County. Mr. Droog shared contact information for Comcast and Mr. Wells and Mr. Josh Pribble met with representatives from Comcast on Friday, September 22, 2023. Mr. Wells stated there was one sub-contractor that was refusing to pay for damages made to Authority infrastructure; however, the representatives from Comcast assured Mr. Wells that payment will be forthcoming.

F3. RBF Lane in Altavista

In response to a question raised by Mr. Droog, no inquiry has been made to Authority staff regarding extending a waterline to RBF Lane in Altavista. The waterline was previously extended to serve the retail store on RBF Lane. Mr. Wagner stated that he has had conversations in the past about extending the waterline to serve this area, and has stated that, if the groundwater is inadequate, there is a 16" waterline on Route 29 that could be extended to serve the property in question. Mr. Wagner stated there is someone assisting the Developer that has experience in both public water systems and groundwater systems that will give them honest numbers so that they can make an educated decision on which source to choose.

The extension would have to be approximately one mile and there are no other customers that would be served by the extension prior to serving the property in question. The Authority would charge to extend the waterline and for the materials to place a master meter and backflow preventor, then there would be private costs to extend the waterline to serve the property beyond the meter. Mr. Wagner stated that the plans he saw years ago for this property consisted of residential units as well as a gym and other commercial properties. A minimum of a 6" waterline would be required to serve the property and to support a fire hydrant system. The Developer could install a waterline using other materials than ductile iron to reduce costs of the project, since the Authority cannot require what materials are used passed the master meter; however, the water pressure at this location

is high and would require a pressure reducing valve in addition to the master meter and a backflow preventor.

In response to a question raised by Mr. Dickerson, Mr. Cline stated that the Developer has not contacted the Campbell County Board of Supervisors.

G. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the Authority meeting be adjourned at 7:01 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this _____ day of _____, 2023, with _____ of _____ members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
October 24, 2023 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Charlie Droog – Chairman - called the meeting to order at 5:00 P.M.

A1. MEMBERS PRESENT

Charlie Droog, Chairman
Don Austin, Vice-Chairman
Carter S. Elliott, Jr.
Wilson Dickerson
Joe Kirkland
James Marstin
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Josh Pribble, Operations Superintendent

Wendy Meese, Accounting Manager (out of town)
April Farmer, Technology Coordinator (on leave)

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Dickerson made a motion, seconded by Mr. Kirkland, that the Minutes of the September 26, 2023 Board Meeting be approved.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 2,531,907.84
Expenses:	\$ 1,445,419.40
Budgeted Capital:	\$ 1,719,500.00
Surplus/(Deficit) to date:	\$ 1,086,488.44/ (\$633,011.56)
Total "Unencumbered"	\$ 3,444,873.86
Bank Balance 9/30/23:	\$ 6,494,795.19
Investment Balance 9/30/23:	\$ 5,034,313.41
Combined Bank Balance 9/30/23:	11,529,108.60

VENDORS

No new permanent vendors were added since last meeting:

Final Bills, refunds of Account Establishment Fees (AEF) (addresses available upon request):

Phillip N. Lang
Carolyn Arthur
Rukiya Johnson

No motion was required since no permanent vendors were added in the month of September 2023.

D2. OPERATIONS REPORT

Mr. Pribble briefly reviewed the statistical and operation reports for September 2023. Copies of said reports are available in the Authority office.

Treatment at the Otter River Water Plant was up 0.6 percent (1,581,000 gallons) compared to September 2022. Overall water system usage increased 1.9 percent (4,720,670 gallons) to date this fiscal year compared to fiscal year 2023. Sales to the East System have increased by 15.5 percent (6,350,520 gallons). Usage in Naruna increased 15.2 percent (625,255 gallons) from the previous year.

Sales to the Town of Altavista have decreased 41.7 percent (3,483,002 gallons) from the previous year. Mr. Pribble stated that the control vault for Town of Altavista was back in operation as of mid-October. Mr. Pribble noted that both the Town of Altavista and the Authority had issues with bringing the control vault back on-line and that, as a result, usage for the Town of Altavista was down for July through mid-October.

Total CCUSA water reflected an increase of 2.2 percent to date in FY 2023 compared to FY22.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 13.8 percent (384,000 gallons) compared to last fiscal year. Mr. Pribble noted that the increase in usage at the RWWTP was due partly to school starting back and partly to suspected inflow and infiltration from recent storms.

Wastewater sent to the City of Lynchburg for treatment increased 3.8 percent (2,141,330 gallons) from last fiscal year through August. The overall result was an increase in wastewater treatment for the fiscal year to date of 4.3 percent (2,525,330 gallons) from last year.

There were 7 new water connections serving 7 units and 5 new sewer connections serving 5 units in the month of September 2023 compared to 9 new water connections and 4 new sewer connections serving 9 and 4 units, respectively, in September 2022. Mr. Pribble noted that 5 of the new services were for The Allure townhomes which are connected to Authority water and sewage systems.

There were 44 disconnections for non-payment of bills in September compared to 66 disconnections for non-payment in September 2022; however, cut-off day was delayed by one week in September 2023 due to a large leak on English Tavern that maintenance was working to repair. The year-to-date number of disconnections through September 2023 reflects a decrease of 8 disconnections for FY24 compared to FY23.

The Authority had 8,997 metered water connections serving 14,610 units and 3,095 sewer connections serving 5,556 units as of September 30, 2023.

There were 744 travel points during the month of September 2023, which was an average of 37 stops per workday.

The Otter River was flowing at approximately 46 mgd on the meeting date and the record low for October 24th was 15.8 mgd in 2003. The median flow for October 24th was 66 mgd.

D3. ENGINEERING REPORT

The Construction Activities Report was distributed and is available at the office for review.

80-2002 English Commons On-Site Water and Sewer

The Contractor is working on several punch list items.

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner has been attempting to get a CAD version of the record drawings; however, the Construction Division of VDOT does not have AutoCAD or MicroStation. Mr. Wagner is now working with the Utility Branch of VDOT in hopes the Utility Division can get a CAD version of the record drawings to the Authority but has had no success as of the meeting date.

In response to a question raised by Mr. Dickerson, the Authority is not the only entity having difficulties obtaining information from VDOT, representatives with the City of Lynchburg have also expressed that they have been unable to obtain information for a project they

are trying to close. Mr. Wagner has spoken with Matt Hall and Larry Nash with VDOT to resolve this issue. Mr. Wagner stated the Authority needs these records to be able to locate the lines in the future. Mr. Austin stated he will try to contact VDOT. If Authority staff is unable to get the information needed from VDOT, the Authority will contract one of its Engineers to complete CAD drawings, but it is likely it will be at the Authority's expense.

Mr. Wagner stated the wording will be changed in agreements with VDOT from this point forward to explicitly state the record drawings are the responsibility of VDOT and what format the record drawings will be accepted.

80-2009 Rustburg Middle School Water and Sewer improvements

An as-built survey has been received but record drawings have not yet been received. Mr. Wagner has requested record drawings from Mr. Bill Gillespie. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed.

80-2003 Lynchburg Airport Rangoon Road Meter

Authority staff is waiting on closeout information for this project.

80-2105 Village Drive Patio Homes

The water and sewer portion of this project is complete. A portion of the Bond will be held while the Developer completes construction just in case any damage is made to the water and sewer portion of the project before construction is concluded. Final costs will be presented to the Board in the next couple of months so that this project can be accepted as part of the Authority system.

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

This project was advertised for bid on October 23, 2023, and bids will be received on November 21, 2023. Mr. Wagner stated the project was advertised on the Authority website, the Hurt and Proffitt website and the e-VA website. Mr. Wagner stated that he also reached out to prospective contractors to advise the project is again out for bid. Some contractors have stated they are still too busy to bid on this project, but it is hoped the Authority will receive at least two bids.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

Construction is underway.

80-2206 Home2Suites Motel

The 2" domestic service and 1" irrigation service have been installed.

80-2205 Liberty University Aviation Maintenance Facility

This project will be closed once the remaining closeout information is received.

80-2104 Castle Craig Water System Replacement

Hurt & Proffitt is working to finalize the Asset Management Plan. Once the Asset Management Plan is complete, this project will be closed and brought to the Board for approval.

80-2204 Merryman Parcels Off-Site Sewer (The Allure)

This project is complete. It is hoped this project will be brought to the Board in the next couple of months for acceptance into the Authority system.

80-2212 Blue Ridge Commons – Section 2

The Developer has rectified their bad check, so some meters have been installed.

80-2208 Merryman Parcels On-Site Water and Sewer (The Allure)

This project is complete.

80-2215 Absolute Storage (Combined with Chick-fil-A)

Construction is complete, Authority staff is waiting on record drawings.

80-2101 Trent's Landing – Section 3

Construction is underway.

80-2214 Office Renovation Project

This project is complete. It is hoped this project will be brought to the Board in the next couple of months for Board approval.

80-2309 The Allure – Section 2

This project is under construction.

80-2210 Leesville Road Apartments

Sewer has been installed, but the manholes need to be inspected and the CCTV inspection needs to be performed.

80-2307 Leesville Road Apartments – Off-Site Water Extension

The waterline has been installed but has not yet been tested. Testing is expected to be completed in the month of November.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Activities Calendar – Attached and is on file in the Authority office. Mr. Cline noted that the Campbell County Board of Supervisors meeting had been moved to Thursday, November 9, 2023, due to election day being on the normal meeting date.
2. Next Board Meeting – Tuesday, November 28 at 5:00 p.m. in the CCUSA Boardroom on Timberlake Road.
3. 2023 Telework Report – Attached and on file in the Authority office.
4. Retirement – Faith Staton, one of the Authority's Customer Service Representatives, is retiring effective November 1, 2023. Faith has been with the Authority for the last 11 years and worked for about 14 months in 2001-02. We will all miss Faith and wish her well in retirement. The position has been advertised with over 200 applicants. Mr. Wells stated that he, Ms. Vanessa Brown and Ms. Wendy Meese will be holding the first round of interviews to fill the vacancy on October 30, 2023.
5. Questionnaire for Developers/Contractors – Pursuant to the discussion at the September 2023 Board meeting, Authority staff has developed a list of questions to solicit feedback from developers and contractors. The questionnaire was distributed for Board review and is on file in the Authority office. Once finalized, Mr. Wells will make contact and request feedback. Mr. Wells stated the Contractors and Developers will be given the option to respond via phone conversation in lieu of having the Contractors and/or Developers complete a paper survey if that is preferred. The Board suggested that the questionnaire also be distributed to some vendors, such as Toney Construction. The Board requested that the feedback be shared with the Board, without sharing names of respondents.
6. Highway 24 DIP Investigation – Corrpro has sent their final report and Authority staff is scheduling a virtual meeting with them to review it. A copy will be e-mailed to the Board.

7. PFAS Class Action Settlement – The deadline to decide whether to participate in the settlement is December 4, 2023. Authority staff recently sampled its source water with no detections above minimum reporting values. Authority staff is still consulting with legal counsel and other utilities on the best strategy for the Authority. Mr. John Fransisco with Wood Rogers Vandeventer Black has expressed the opinion that it is in the Authority's best interest to participate in the settlement unless there is a known problem. Mr. Wells recently attended a Virginia Water/Wastewater Authorities Association meeting, and the settlement was an informal item of discussion among the attendees, and most of the representatives in attendance are going to participate in the settlement. Mr. Wells stated that this item can be investigated further and discussed again at the November 2023 meeting.

E. BOARD ACTION ITEMS

E1. ENGINEERING CONTRACTS

Proposals for general engineering services have been reviewed by a committee consisting of Mr. Wilson Dickerson (Board member), Mr. Jeff Wells (Authority Executive Director) and Mr. Tim Wagner (Authority Engineer). A total of thirteen proposals were received. Contracts will last for one year, with options to renew for up to three more years, in one-year increments. The Authority's past practice has been to award contracts to multiple firms. This practice allows individual projects to be assigned to the firm that is best suited for that individual project.

In response to a question raised by Mr. Austin, the Authority currently has four Engineering firms for general services; however, Woodard & Curan was one of these firms and has withdrawn from the market in the Authority's area.

The committee recommended the Authority award contracts to Wiley|Wilson, Hurt & Proffitt, Inc., Timmons Group, Altavista Instruments and Controls, and Rummel, Klepper, and Kahl, LLP. Mr. Dickerson and Mr. Wagner stated that they have worked with Timmons Group and Rummel, Klepper, and Kahl, LLP. In the past. Both entities also offer SCADA services, so will be alternatives in case Altavista Instruments and Controls does not meet the Authority's needs.

MOTION: Mr. Elliott made a motion, seconded by Mr. Austin, authorizing Authority Staff to execute contracts with Wiley|Wilson, Hurt & Proffitt, Inc., Timmons Group, Altavista Instruments and Controls, and Rummel, Klepper, and Kahl, LLP. Said contracts may be renewed for a maximum of three one-year extensions unless otherwise directed by either the Authority or the Engineer.

ACTION: Approved Unanimously.

E2. Extension Agreement – Crescent Grove Subdivision – Phase I

This is an Agreement between the Authority and KDK Development, LLC for water and sanitary sewer extensions to serve 21 single family residential homes for an infill subdivision located off Rainbow Forest Drive between Sleepy Hollow Road, Viking Lane,

and Waterlick Road. The project involves approximately 1,740 linear feet of 8-inch water mains and approximately 2,150 linear feet of sanitary sewer, most of which is 8-inch gravity sewer, some of which is 2-inch low pressure force main.

The Developer did not deliver the surety for the Agreement prior to the meeting as hoped but will deliver as soon as it is available. The Chairman will be contacted once the surety has been delivered to the CCUSA Office so that he can sign the Agreement.

MOTION: Mr. Richardson made a motion, seconded by Mr. Austin, to authorize the Chairman to execute the extension agreement with KDK Development, LLC to extend the Authority water and sanitary sewer systems to serve Crescent Grove Subdivision – Phase I, contingent on the Owner delivering acceptable surety.

ACTION: Approved Unanimously.

F. MATTERS FROM THE BOARD

F1. Royal Farms, Mod Wash, and Wawa Convenience Store

In response to a question raised by Mr. Kirkland, water services that do not require an extension agreement are not placed on the Construction Report.

F2. Amherst Water

Amherst County Service Authority took a tank out of service to perform maintenance on said tank, but water flow reversed in the system resulting in years of build up from the tank flowing into the water system. No boil water notice was issued because the water was not harmful, but it looked unappealing.

G. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Richardson, that the Authority meeting be adjourned at 5:48 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. Richardson, seconded by Mr. Austin, these minutes are approved this 28th day of November, 2023, with 7 of 7 members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
November 28, 2023, at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Charlie Droog – Chairman - called the meeting to order at 5 P.M. with the Pledge of Allegiance and a Prayer.

A1. MEMBERS PRESENT

Charlie Droog, Chairman
Don Austin, Vice-Chairman
Carter S. Elliott, Jr.
Wilson Dickerson
Joe Kirkland
James Marstin
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Josh Pribble, Operations Superintendent
Wendy Meese, Accounting Manager

April Farmer, Technology Coordinator (on leave)

B. CITIZEN COMMENT

Dean Monroe with Elite Recycling

C. APPROVAL OF MINUTES

MOTION: Mr. Richardson made a motion, seconded by Mr. Austin, that the Minutes of the October 24, 2023, Board Meeting be approved.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 3,414,185.05
Expenses:	\$ 1,919,790.29
Budgeted Capital:	\$ 1,719,500.00
Surplus/(Deficit) to date:	\$ 1,494,394.76/ (\$225,105.24)
Total "Unencumbered"	\$ 3,808,649.72
Bank Balance 10/31/23:	\$ 6,658,878.56
Investment Balance 10/31/23:	\$5,055,616.22
Combined Bank Balance 10/31/23:	11,714,494.78

VENDORS

No new permanent vendors added since last meeting:

Final Bills, refunds of Account Establishment Fees (AEF) (address available upon request):

Thousand Hills, LLC	Shatia Hood
Cornerstone Properties	Beaver Creek Properties
Asian Castle Early Learning	Arthur D. Hupp
Douglas J. Attix	Marcia D. Bennett

No motion was required since no permanent vendors were added in the month of October 2023.

D2. OPERATIONS REPORT

Mr. Pribble briefly reviewed the statistical and operation reports for October 2023. Copies of said reports are available in the Authority office.

Treatment at the Otter River Water Plant was up 68,000 gallons compared to October 2022. Sales to the Town of Altavista have decreased 42.0 percent (4,478,942 gallons) from the previous year. Sales to the East System have increased by 13.2 percent (7,289,260 gallons). Overall Central System retail sales increased 1.3 percent (4,067,610 gallons) to date this fiscal year compared to fiscal year 2023. Usage in Naruna increased 3.7 percent (213,078 gallons) from the previous year. Total CCUSA water reflected an increase of 1.3 percent to date in FY 2024 compared to FY23.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 13.7 percent (493,000 gallons) compared to last fiscal year. Wastewater sent to the City of Lynchburg for treatment increased 3.6 percent (2,303,934 gallons) from last fiscal year through August. The overall result was an increase in wastewater treatment for the fiscal year to date of 4.2 percent (2,796,934 gallons) from last year.

There were 31 new water connections serving 31 units and 25 new sewer connections serving 25 units in the month of October 2023 compared to 5 new water connections and 2 new sewer connections serving 5 and 2 units, respectively, in October 2022. Mr. Pribble noted that most of the new services in October were for townhomes which are connected to Authority water and sewage systems. There were also 5 residential units and one commercial unit that made connection to water in the month of October 2023.

There were 60 disconnections for non-payment of bills in October compared to 41 disconnections for non-payment in October 2022. The year-to-date number of disconnections through October 2023 reflects an increase of 11 disconnections for FY24 compared to FY23.

The Authority had 9,028 metered water connections serving 14,641 units and 3,120 sewer connections serving 5,581 units as of October 31, 2023.

There were 808 travel points during the month of October 2023, which was an average of 40 stops per workday.

The Otter River was flowing at approximately 56.5 mgd on the meeting date and the record low for November 28th was 38.5 mgd in 2003. The median flow for November 28th was 129 mgd.

D3. ENGINEERING REPORT

The Construction Activities Report was distributed and is available at the office for review.

80-2002 English Commons On-Site Water and Sewer

The Contractor is working on the last buildings. The Contractor will work on final punch list items once the final building is complete.

80-2004 Wards Road Bridge over NS Railroad

Following the last meeting, Mr. Austin reached out to former co-workers at VDOT and found that VDOT does not offer CAD record drawings. Authority staff will contract one of its engineering consultants to conduct an as-built survey and generate a set of record drawings.

80-2009 Rustburg Middle School Water and Sewer improvements

An as-built survey has been received but record drawings have not yet been received. Mr. Wagner has requested record drawings from Mr. Bill Gillespie. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed.

80-2003 Lynchburg Airport Rangoon Road Meter

Authority staff is waiting on closeout information for this project.

80-2105 Village Drive Patio Homes

The water and sewer portion of this project is complete. Mr. Wagner stated he and Mr. Greg Meese need to compile a punch list for the Contractor.

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

This project was advertised for bid on October 23, 2023, and bids were received on November 21, 2023. The low bid was \$1.316 million. Mr. Wagner stated that a few years ago, this pump station would have cost around \$700,000. Since the low bid exceeds the estimate, Authority staff will have to request additional funds from the County to complete the pump station. It is possible the County has available ARPA funds to commit to this project so that the pump station can move forward. The request for additional funding will be presented to the Board of Supervisors at the December 5, 2023, meeting. If funding is approved by the Board of Supervisors, Authority staff will bring the project for approval to the December 15, 2023, Authority Board meeting.

The low bid was received from Anderson Construction. Mr. Wagner stated he has worked with Anderson Construction in the past, and that they are a reputable contractor.

In response to a question raised by the Board, there were two bids received and the other was from WACO, Inc. which is located in Covington, VA. Mr. Wagner stated that all the contractors are busy, and the cost of materials has increased over the last few years. Because this project will use ARPA funding, the American Iron and Steel requirements will apply, which runs up the price of the project as well. Davis-Bacon wage rates apply as well.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

Counts and Dobyns and Toney Construction, Inc. are progressing on this project. As of the last pay request, construction was at approximately 45 percent complete. Construction on this project is expected to be substantially complete by the end of January 2024.

80-2206 Home2Suites Motel

The two-inch domestic service and one-inch irrigation service have been installed. Mr. Wagner stated that he and Mr. Greg Meese found that the RPDA backflow assembly on the fire line needs to be replaced because it is not lead-free.

80-2205 Liberty University Aviation Maintenance Facility

The record drawings need to be reviewed.

80-2104 Castle Craig Water System Replacement

Mr. Wells and Mr. Wagner are working with VDH to obtain approval of the Asset Management Plan. Once VDH has accepted the Asset Management Plan, this project will be closed and brought to the Board for approval.

80-2204 Merryman Parcels Off-Site Sewer (The Allure)

This project is complete. It is hoped this project will be brought to the Board in the next couple of months for acceptance into the Authority system.

80-2212 Blue Ridge Commons – Section 2

The record drawings are being reviewed.

80-2208 Merryman Parcels On-Site Water and Sewer (The Allure)

The record drawings are being reviewed.

80-2215 Absolute Storage (Combined with Chick-fil-A)

The record drawings are being reviewed.

80-2101 Trent's Landing – Section 3

Construction is underway.

80-2214 Office Renovation Project

This project is complete. It is hoped this project will be brought to the Board in the next couple of months for Board approval.

80-2309 The Allure – Section 2

The record drawings are being reviewed.

80-2210 Leesville Road Apartments

Buildings are being constructed and sewer has been installed, but the manholes still need to be inspected and the CCTV inspection needs to be performed.

A PEC meeting was held November 28, 2023, to discuss the next phase, which includes 1,024 apartments.

80-2307 Leesville Road Apartments – Off-Site Water Extension

The waterline has been installed but has not yet been tested. The tie-ins at Lynview, Chardon, and Buxton have not yet been made.

80-2310 Crescent Grove Subdivision

The Contractor is preparing to directional drill a gravity sewer under Rainbow Forest Drive.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Activities Calendar – Attached and is on file in the Authority office.
2. Christmas Luncheon – Friday, December 15th at 12:00 p.m. at 20644 Timberlake Road
3. Next Board Meeting – Friday, December 15th at 1:00 p.m. in the CCUSA Boardroom on Timberlake Road.
4. 2023 Telework Report – Attached is the report of telework activities during 2023.
5. New Employee – We are extremely happy to report that Kayla Nickerson started as Customer Service Representative on November 15th. She is a graduate of Appomattox County High School, attended CVCC and comes to us from First Citizens Bank. Kayla and her family live in the Long Island community of Campbell County.
6. Excellence in Financial Reporting – The Government Finance Officers Association issued an award for the FY22 Comprehensive Annual Financial Report submitted by Authority staff on December 31, 2022. This is the eleventh consecutive time the Authority has received this award.
7. 2024 Health and Dental Insurance Open Enrollment – Open enrollment has begun; the Board members were asked to let Wendy know if there were any changes in coverage. Coverage changes will be effective January 1, 2024, and payment for each month is invoiced a month in advance. New invoices will be mailed with the December agenda packet. The Authority has been advised that there will be no increase in 2024 to the insurance premiums; however, an increase is expected in 2025.

8. Questionnaire for Developers/Contractors – The questionnaire has been emailed and Mr. Wells stated he has spoken to almost all the developers and contractors on the list. So far, the feedback has been very positive. A summary of responses will be provided at the December meeting.

9. Highway 24 DIP Investigation – Mr. Wells, Mr. Wagner, and Mr. Josh Pribble have reviewed the final report, virtually, with Corpro and requested an informational proposal to do a soil evaluation for a 5,000 linear foot waterline extension. Authority staff will be working on a waterline replacement project near Harvey's Lane which will be funded from the water & sewer line replacement project in the capital budget.

In response to a question raised by Mr. Marstin, the material for the replacement pipe will likely be HDPE; however, the material will be researched more before the project begins.

10. Employee Gift Cards – The last several years, the Board has given Authority employees a gift card at the Christmas Luncheon. This time is for discussion on whether the Board would like to continue the tradition of giving a monetary gift and at what amount. Last year the amount was \$150.

It was noted that the VISA gift cards that the Authority has been distributing the passed couple of years have increased their fee and now also include a shipping charge. The Board decided to give cash instead of gift cards for 2023. This item will be acted on in Item E2.

11. PFAS Class Action Settlement – Item E1 is provided for Board consideration.

E. BOARD ACTION ITEMS

E1. **PFAS Class Action Settlements** – As discussed at the September and October Board meetings, the Authority received a Notice of Proposed Class Action Settlement and Court Approval Hearing. The proposed settlement with Chemours, Corteva and Dupont would provide \$1.185 billion dollars for public water systems. The proposed settlement with 3M Company would provide no less than \$10.5 billion and no more than \$12.5 billion dollars. Both apply to all public water systems that have an impacted source or are subject to monitoring under the EPA UCMR 5 Rule. Legal counsel has advised that based on our circumstances it is in the Authority's best interest to participate in the settlement.

In response to a question raised by Mr. Marstin, the settlement will be based on the amount of water treated each year. It was unknown as of the meeting date what the settlement will be, but the website provides a calculator that estimates the Authority's award would be around \$300,000.

Mr. Richardson stated concern about participating in the settlement since the Authority had not been affected by PFAS contamination. Participation in the settlement prohibits the Authority from taking action against the entities listed in the case if PFAS becomes an issue in the future, but only if it is due to contamination from one of the entities listed in the case.

MOTION: Mr. Elliott made a motion, seconded by Mr. Dickerson, that the Authority participate in the PFAS class action settlements.

ACTION: Approved 5-2, with Mr. Marstin and Mr. Richardson voting in the negative.

E2. **Employee Gift Cards**

MOTION: Mr. Dickerson made a motion, seconded by Mr. Marstin, that the employees each be given \$150 cash at the Christmas party.

ACTION: Approved Unanimously.

F. **MATTERS FROM THE BOARD**

This time is to discuss any matters from the Board members.

F1. **Citizen Comment – Mr. Dean Monroe with Elite Recycling**

Mr. Dean Monroe with Elite Recycling was present to inquire if the Authority could assist Elite Recycling in getting water in the Town of Brookneal. Elite Recycling's business is growing, and they would like to add additional employees and expand their facility. Expansion of the facility would require additional fire protection; however, Mr. Monroe has been told that the Town does not have the amount of water necessary to meet the fire protection requirements for Elite Recycling. The existing facility is 42,000 square feet and Mr. Monroe stated that it took one year to get a sprinkler system in place because the Town of Brookneal did not have the water for the system. Fire hydrants and hoses were removed from the original design of the building to allow for the sprinkler system to be installed instead. Elite Recycling would like to expand to a 200,000 square foot facility. Elite Recycling currently employs fewer than 60 employees but could employ 100 employees if the facility were expanded.

Mr. Monroe requested that someone from the Authority talk to the Town Council of the Town of Brookneal because nothing in the Town can thrive if there is not enough water. There are two water towers, but only one of the towers is currently being used. The water treatment plant currently works one shift. Mr. Monroe stated that Elite Recycling would gladly pay its share of the upgrades to the water system to meet the increased demand from the facility's expansion.

In response to a question raised by Mr. Droog, Elite Recycling pays a County tax and a Town tax.

In response to a question raised, the water that serves the Town of Brookneal is taken from the Phelps Creek Reservoir. The Town is permitted to withdraw one-third of a million gallons per day for treatment. Mr. Monroe stated that he has been told they are producing approximately one-third of the water that is possible to be produced under the current permit. Mr. Wells stated that only one of the water tanks is being used because stagnant water would increase disinfection byproducts that are regulated by the State. Excess storage in the water towers would result in stagnant water.

In response to a question raised by Mr. Dickerson, the main problem is that the Town does not have adequate storage for water that is required for fire protection of Elite Recycling.

The Town holds a permit to pull 300,000-360,000 gallons per day from the Phelps Creek Reservoir. The town has two water tanks. One tank holds 250,000-300,000 gallons. There is a small tank located downtown that holds 75,000 gallons, but the smaller tank is not currently used because there is not enough demand to use both tanks.

In response to a question raised by Mr. Richardson, the 75,000 tank is not in a location that could be used for non-potable water for the sole purpose of fire protection for the Elite Recycling facility. Mr. Marstin stated a groundwater storage system, and a booster pump would likely be the best solution. In response to a question raised by Mr. Marstin, there is no longer a lake, or a pond located behind the abandoned Burlington facility but there is still a lagoon; however, Mr. Monroe stated that solution would be “patchwork” and does not think that solution would work for Elite Recycling. There is approximately 62,000 gallons of storage, with basins, at the Burlington factory, but the engineer that Elite Recycling has contracted does not like this option because a pump system would be located above the basin, that the pump system must be below the water basin so the water can flow by gravity into the pump system. Mr. Monroe stated that Elite Recycling has \$1 million set aside to address a viable solution.

Mr. Monroe stated that a solution that would promote growth in the Town of Brookneal would be the best for the Town.

Mr. Tim Wagner stated that Mr. Monroe could contact Crom to see if a ground tank could be installed that would be large enough to supply fire protection, and then install a check valve so the water would not flow back into the Town’s system. Elite Recycling would have to purchase water to fill the tank but could top off the tank when needed.

F2. Authority Investments

The Authority invested \$5 million in unencumbered funds in August 2023. Mr. Kirkland stated that he would like to see an additional \$3 to \$3.5 million invested. After discussion, it was decided that an additional \$3 million would be invested as soon as possible. The funds are readily available within one month if the Authority needs to access additional funds. In response to a question raised by Mr. Marstin, the Authority will not lose principle if funds are withdrawn prior to investments maturing. Mr. Marstin stated that the funds kept in the Authority bank account are not fully insured; therefore, the funds invested in the ladder investments are safer than funds kept in the Authority’s bank account at First Citizens.

MOTION: Mr. Kirkland made a motion, seconded by Mr. Marstin, that the Authority invest an additional \$3 million in the ladder investments held by First Citizens Bank.

ACTION: Approved Unanimously.

F3. Agricultural Lot Size Reduction

The Campbell County Board of Supervisors are considering reducing the minimum lot size for agricultural properties from 2.5 to 1.5 acre if there is no change in road frontage. The lot size was discussed and the impact it will have on the Authority. Mr. Cline stated that the water concern was discussed by the Board of Supervisors, but the concern was

mitigated by keeping the road frontage the same. Mr. Cline stated that there will not necessarily be more lots, but the reduction in acreage will allow farmers to sell a portion of their land if they wish. The road frontage is 150 linear feet.

For informational purposes only.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Marstin, that the Authority meeting be adjourned at 6:09 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. Kirkland, seconded by Mr. Dickerson, these minutes are approved this 15th day of December, 2023, with 7 of 7 members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Special Meeting
December 15, 2023 at 1:00 pm (following Christmas luncheon)

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Charlie Droog – Chairman - called the meeting to order at 1:18 P.M. with the Pledge of Allegiance and a Prayer.

A1. MEMBERS PRESENT

Charlie Droog, Chairman
Don Austin, Vice-Chairman
Carter S. Elliott, Jr.
Wilson Dickerson
Joe Kirkland
James Marstin
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Josh Pribble, Operations Superintendent
Wendy Meese, Accounting Manager
April Farmer, Technology Coordinator (on leave)

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Kirkland made a motion, seconded by Mr. Dickerson, that the Minutes of the November 28, 2023 Board Meeting be approved.

ACTION: Approved 6-0-1, with Mr. Richardson abstaining from the vote since he did not receive the agenda packet prior to the meeting and therefore was unable to review the minutes.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 4,246,385.92
Expenses:	\$ 2,306,924.53
Budgeted Capital:	\$ 1,719,500.00
Surplus/(Deficit) to date:	\$ 1,939,461.39/ \$219,961.39
Total "Unencumbered"	\$ 4,351,415.55
Bank Balance 11/30/23:	\$ 7,231,122.78
Investment Balance 11/30/23:	\$ 5,387,776.60
Combined Bank Balance 11/30/23:	\$12,618,899.38

For information in response to a question raised by Mr. Kirkland at the meeting and researched afterward: billing through November 30, 2023 reflects an increase of 41,135 hcf for water usage and an increase of 19,840 hcf for sewer usage. The increase in revenue resulting from the FY24 rate increases was \$438,622.96. The rate increases went into effect as of the September 2023 billing and were \$0.30 for water usage, \$0.75 for sewer usage, \$1 for residential water base fees, and \$2 for residential sewer base fees.

Ms. Meese noted that there was a surplus of \$754,187 in operational revenue, which offset the deficit of \$534,226 in capital revenue. Ms. Meese stated that a goal of the Authority should be for operation revenues to support a majority of capital projects, so that the Authority does not have to rely on development to fund improvements to the system in the future.

VENDORS

New Vendors added in November 2023:

Trae Moon Authority Employee

Final Bills, refunds of Account Establishment Fees (AEF) (address available upon request):

Austin Michael Love

MOTION: Mr. Austin made a motion, seconded by Mr. Marstin, that the new vendor list for November 2023 be approved.

ACTION: Approved Unanimously

D2. OPERATIONS REPORT

Mr. Pribble briefly reviewed the statistical and operation reports for November 2023. Copies of said reports are available in the Authority office.

Treatment at the Otter River Water Plant was up 0.6 percent, or 2,259,000 gallons, compared to November 2022. Sales to the Town of Altavista have decreased 44.5 percent (4,945,873 gallons) from the previous year. Sales to the East System have increased by 10.0 percent (6,921,244 gallons). Overall Central System retail sales increased 1.7 percent (6,848,825 gallons) to date this fiscal year compared to fiscal year 2023. Usage in Naruna increased 3.2 percent (227,264 gallons) from the previous year. Total CCUSA water reflected an increase of 1.7 percent to date in FY24 compared to FY23.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 6.3 percent (289,000 gallons) compared to last fiscal year. Wastewater sent to the City of Lynchburg for treatment increased 2.4 percent (2,147,556 gallons) from last fiscal year through November. The overall result was an increase in wastewater treatment for the fiscal year to date of 2.6 percent (2,436,556 gallons) from last year.

There were 5 new water connections serving 54 units and no new sewer connections, but there were 49 units served in the month of November 2023 compared to 32 new water connections and 29 new sewer connections serving 32 and 29 units, respectively, in November 2022. Mr. Pribble noted that there were 28 residential connections and the clubhouse in Leesville Road apartments. Since Leesville Road apartments have a master meter that was accounted for in a previous month, there were 49 new units but no new connection for both water and sewer.

There were 92 disconnections for non-payment of bills in November compared to 82 disconnections for non-payment in November 2022. The year-to-date number of disconnections through November 2023 reflects an increase of 21 disconnections for FY24 compared to FY23.

The Authority had 9,033 metered water connections serving 14,695 units and 3,120 sewer connections serving 5,630 units as of November 30, 2023.

There were 1,095 travel points during the month of October 2023, which was an average of 55 stops per workday.

The Otter River was flowing at approximately 106.6 mgd on the meeting date and the record low for December 15th was 35.2 mgd in 2008. The median flow for December 15th was 172.5 mgd.

Mr. Pribble stated that the rain event on December 11, 2023 caused the river to flow at 1.2 *billion* gallons, which was the highest the river flowed since the last meeting date. In response to a question raised by Mr. Kirkland, the river at this level reached eight feet on the gauge, 16 feet is the action level, and 19 feet indicates "flood stage".

D3. ENGINEERING REPORT

The Construction Activities Report was distributed and is available at the office for review.

80-2002 English Commons On-Site Water and Sewer

The Contractor is working on the last buildings. The Contractor will work on final punch list items once the final building is complete.

80-2004 Wards Road Bridge over NS Railroad

Authority staff will contract one of its engineering consultants to conduct an as-built survey and generate a set of record drawings since VDOT does not offer CAD record drawings.

80-2009 Rustburg Middle School Water and Sewer improvements

An as-built survey has been received but record drawings have not yet been received. Mr. Wagner has requested record drawings from Mr. Bill Gillespie. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed.

80-2003 Lynchburg Airport Rangoon Road Meter

Authority staff is waiting on closeout information for this project.

80-2105 Village Drive Patio Homes

The water and sewer portion of this project is complete. Mr. Wagner stated he and Mr. Greg Meese need to compile a punch list for the Contractor.

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

This project was advertised for bid on October 23, 2023, and bids were received on November 21, 2023. The low bid was \$1.316 million. Mr. Wagner stated that a few years ago, this pump station would have cost around \$700,000. Since the low bid exceeds the estimate, Authority staff requested and were granted additional funds from the County to complete the pump station. This project will be discussed further in Item E1.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

Counts and Dobyns and Toney Construction, Inc. are progressing on this project. As of the last pay request, construction was at approximately 75 percent complete. Construction on this project is expected to be substantially complete by the end of January 2024.

80-2206 Home2Suites Motel

The two-inch domestic service and one-inch irrigation service have been installed; however, Authority staff is still waiting for the Contractor to replace the backflow preventor on the fire line because the original assembly was not lead-free.

80-2205 Liberty University Aviation Maintenance Facility

The record drawings need to be reviewed.

80-2104 Castle Craig Water System Replacement

The Asset Management Plan has been forwarded to VDH. Once VDH has accepted the Asset Management Plan, this project will be closed and brought to the Board for approval.

80-2204 Merryman Parcels Off-Site Sewer (The Allure)

This project is complete. It is hoped this project will be brought to the Board in the next couple of months for acceptance into the Authority system.

80-2212 Blue Ridge Commons – Section 2

The record drawings are being reviewed.

80-2208 Merryman Parcels On-Site Water and Sewer (The Allure)

Close-out information is being gathered.

80-2215 Absolute Storage (Combined with Chick-fil-A)

The record drawings have been reviewed and the Engineer has been given a couple of corrections to make.

80-2101 Trent's Landing – Section 3

The record drawings are being reviewed

80-2214 Office Renovation Project

This project is complete. It is hoped this project will be brought to the Board in the next couple of months for Board approval.

80-2309 The Allure – Section 2

The record drawings are being reviewed.

80-2210 Leesville Road Apartments

Construction of the sewer main has been completed but CCTV inspection needs to be performed. The tap on the Leesville Road force main has been made.

80-2307 Leesville Road Apartments – Off-Site Water Extension

The waterline has been installed but has not yet been tested. The no tie-ins have been made as of the meeting date.

80-2310 Crescent Grove Subdivision

The gravity sewer was installed under Rainbow Forest Drive by horizontal directional drilling on December 15, 2023.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Activities Calendar – Attached and is on file in the Authority office.
2. Next Board Meeting – Tuesday, January 23rd at 5:00 p.m. in the CCUSA Boardroom on Timberlake Road.
3. 2023 Telework Report – The final report of telework activities for 2023 was distributed. After discussion, the Board directed that staff continue to report telework activities on a monthly basis; however, only new additions need to be distributed each month.

4. Board of Supervisors Swearing in Ceremony – On Tuesday, December 19th at 11 am the two new Supervisors will be sworn in at the Campbell County Circuit Court in Rustburg. (Mr. Tom Lawton – Altavista & Mr. Paul Dowdy – Sunburst)
5. Questionnaire for Developers/Contractors – A summary of responses was provided and the overall opinion from the Contractors and Developers was that Authority staff is meeting or exceeding expectations. Mr. Wells forwarded the survey that had been discussed at the previous meetings and Mr. Wells also followed up with a phone call to the recipients of the surveys to ensure that all information was communicated. Mr. Wells stated that Authority staff is on the right track and that Contractors appreciate the fact that the Authority has knowledgeable and experienced staff that is dedicated to getting the job done the right way while being open to input from the Contractors if there are opportunities to improve.

E. BOARD ACTION ITEMS

E1. Yellow Branch WWPS No. 2

Yellow Branch WWPS No. 2 was bid on November 21, 2023 and two bids were received. They are:

- a. Anderson Construction, Inc. - \$1,316,427.00
- b. Waco, Inc. - \$1,447,705.00

Hurt & Proffitt's EOPC was \$699,757.00 and the remaining County ARPA funds after bidding the gravity sewer and force main in May 2023 was \$ 654,972.06. As the apparent low bid exceeded the available County ARPA funds, Mr. Wells and Mr. Wagner contacted Frank Rogers, County Administrator, to see if there were more County ARPA funds available to apply to the Yellow Branch WWPS No. 2 project. Mr. Rogers did identify an additional \$700,000 in County ARPA funding that could be allocated to the project and, as such, requested the Board of Supervisors allocate the additional funding to the project, which they did so at their December 5, 2023 meeting. With the additional funding from Campbell County, CCUSA staff recommended that the CCUSA Board authorize CCUSA staff to award the contract to Anderson Construction, Inc.

Mr. Wagner stated he has worked with Anderson Construction in the past, and that they are a reputable contractor.

Of note, Mr. Wagner checked with other utilities that have recently bid WWPSs to see if they had also seen dramatic price increases, and it appears that this is not just a local problem. The City of Suffolk Virginia bid a WWPS on September 22, 2023, and received three bids, the lowest of which was 153% of the EOPC. HRSD bid a WWPS on November 16, 2023 and received only one bid, which was 219% of the EOPC. Speculation is that, with increased federal funding, contractors that build wastewater pump stations and other utility infrastructure are all busy and that reduces the number of bidders and increases the bid prices.

MOTION: Mr. Austin made a motion, seconded by Mr. Dickerson, that the Authority award the contract for construction of Yellow Branch WWPS No. 2 to Anderson Construction, Inc. in the amount of \$1,316,427.00.

ACTION: Approved Unanimously.

E2. Brookville High School

An extension agreement was presented to extend the waterline and relocate a portion of the existing sewer line at Brookville High School. Authority staff had waived the Plan Review Fee and Inspection Fee since this project is for Campbell County Schools; however, the agreement did not waive the Account Establishment Fee. The Board directed that the Account Establishment Fee be waived.

MOTION: Mr. Dickerson made a motion, seconded by Mr. Kirkland, to authorize the Chairman to execute the agreement with Campbell County Schools and that the Authority waive the Account Establishment Fee for the Brookville High School extension of waterline and relocation of existing sewer infrastructure.

ACTION: Approved Unanimously.

F. MATTERS FROM THE BOARD

The Board thanked Ms. Vanessa Brown and the rest of staff for the Christmas luncheon.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the Authority meeting be adjourned at 1:45 p.m.

ACTION: Approved Unanimously

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this _____ day of _____, 2024, with _____ of _____ members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
January 23, 2024 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Charlie Droog – Chairman - called the meeting to order at 5:00 P.M.

A1. MEMBERS PRESENT

Charlie Droog, Chairman
Don Austin, Vice-Chairman
Carter S. Elliott, Jr.
Wilson Dickerson
Joe Kirkland
James Marstin
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Wendy Meese, Accounting Manager

Josh Pribble, Operations Superintendent (absent - illness)
April Farmer, Technology Coordinator (absent – leave)

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Dickerson made a motion, seconded by Mr. Austin, that the Minutes of the December 15, 2023 Board Meeting be approved.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 4,858,766.78
Expenses:	\$ 2,915,496.30
Budgeted Capital:	\$ 1,719,500.00
Surplus/(Deficit) to date:	\$ 1,943,270.48/ \$223,770.48
Total "Unencumbered"	\$ 4,587,832.96
Bank Balance 12/31/23:	\$ 4,022,450.80
Investment Balance 12/31/23:	\$ 8,122,423.11
Combined Bank Balance 12/31/23:	\$12,144,873.91

For information: billing through December 31, 2023 reflects an increase of 41,135 hcf for water usage and an increase of 19,840 hcf for sewer usage. The increase in revenue resulting from the FY24 rate increases was \$561,503.20. The rate increases went into effect as of the September 2023 billing and were \$0.30 for water usage, \$0.75 for sewer usage, \$1 for residential water base fees, and \$2 for residential sewer base fees.

In response to a question raised by Mr. Kirkland, the short-term investments have been yielding higher interest rates than long-term investments, but representatives with First Citizens Bank have assured Authority staff that they will continue to evaluate yields when each investment matures and will advise Authority staff of the best option for the funds to be reinvested.

VENDORS

Permanent vendors added since last meeting:

Mystic Landscaping	Forest, VA
Arcpoint Labs	Lynchburg, VA

Final Bills, refunds of Account Establishment Fees (AEF) (address available upon request):

None were added this month

MOTION: Mr. Austin made a motion, seconded by Mr. Kirkland, that the new vendor list for December 2023 be approved.

ACTION: Approved Unanimously.

D2. OPERATIONS REPORT

Mr. Wells briefly reviewed the statistical and operation reports for December 2023. Copies of said reports are available in the Authority office.

Treatment at the Otter River Water Plant was up 0.5 percent, or 2,405,000 gallons, compared to December 2022. Sales to the Town of Altavista have decreased 43.3 percent (4,868,291 gallons) from the previous year. Sales to the East System have increased by 6.5 percent (5,475,360 gallons). Overall Central System retail sales increased 1.5 percent (6,917,243 gallons) to date this fiscal year compared to fiscal year 2023. Usage in Naruna increased 1.4 percent (118,298 gallons) from the previous year. Total CCUSA water reflected an increase of 1.5 percent to date in FY24 compared to FY23.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 1.6 percent (93,000 gallons) compared to last fiscal year. Wastewater sent to the City of Lynchburg for treatment increased 3.4 percent (3,208,849 gallons) from last fiscal year through November. The overall result was an increase in wastewater treatment for the fiscal year to date of 3.3 percent (3,301,849 gallons) from last year.

There were 5 new connections serving 30 units for both water and sewer in the month of December 2023 compared to 6 new water connections and 1 new sewer connection serving 6 and 1 units, respectively, in December 2022. There were 5 new units in the Lockridge Patio Home development and one building in the English Commons development that has 30 units. All of these connections are served by Authority water and sewer.

Mr. Wells noted that the due date for December bills was moved to the second week of January because the normal due date fell on January 2, the day following the New Year holiday. Since the due date of the bills was due later than usual and with customers shopping for Christmas in December, it is believed that Authority customers delayed paying bills until January. This resulted in a decrease in the net collections for the month of December. Authority staff believes this number will even out in the month of January 2024.

There were 72 disconnections for non-payment of bills in December compared to 39 disconnections for non-payment in December 2022. Disconnections in December 2022 were delayed one week because of the timing of the Christmas holiday. The year-to-date number of disconnections through December 2023 reflects an increase of 54 disconnections for FY24 compared to FY23.

The Authority had 9,038 metered water connections serving 14,725 units and 3,125 sewer connections serving 5,660 units as of November 30, 2023.

There were 881 travel points during the month of December 2023, which was an average of 44 stops per workday. There were 605 locates in the month of December 2023. Both the number of locates and the total number of travel points was down slightly from the previous month but was still an increase over the previous December.

In response to a question raised by Mr. Droog, there were several lines damaged by contractors laying fiber optic lines in December. The largest line damaged was in the Town Fork area and the line that was damaged was AC pipe that was clearly marked. A boil water notice was issued and the contractor in fault has been invoiced. Mr. Wells has attempted to contact Lumos about the damage but has not had success as of the meeting date. Mr. Wells stated he will find another contact person with Lumos. In response to a question raised by Mr. Richardson, the Authority has had success with payment from invoices from damage because staff contacts the company that is laying the fiber optic

lines when an invoice has been issued to one of their subcontractors. In response to a question raised by Mr. Marstin, it is required to hand-dig when placing a directional bore in an area that is marked but contractors do not always follow proper procedure.

Mr. Droog stated that the Authority may want to consider charging a deposit for any contractor that is digging near Authority infrastructure. The deposit could be used to offset damage repair, if there is any, but the balance would be refunded after digging is complete. This would prevent Authority staff from spending time pursuing payment for damages. Mr. Austin expressed concern that Authority may not have the right to require a deposit since the contractor is working for another entity and does not have a direct contract with the Authority. Mr. Wells stated there are about a dozen different sub-contractors and it is not always easy to determine which entity they are working for. Mr. Wagner stated that the Authority can report the contractor to the State Corporation Commission if the Underground Damage Prevention Act is not being followed. The Board thanked Mr. Wells for diligently pursuing payment for damages.

In response to a question raised by Mr. Richardson, the County has recently started construction of its broadband project but is currently laying lines in the Concord area where there are no waterlines.

The flow rates for the Otter River were not shared since Mr. Pribble was out sick.

D3. ENGINEERING REPORT

The Construction Activities Report was reviewed and is available at the office for review.

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner stated that VDOT has forwarded CAD files for this project and that he and Mr. Greg Meese have reviewed the CAD files and have determined these files are adequate to use as record drawings for this project.

80-2009 Rustburg Middle School Water and Sewer improvements

An as-built survey has been received but record drawings have not yet been received. Mr. Wagner has requested record drawings from Mr. Bill Gillespie. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed.

80-2003 Lynchburg Airport Rangoon Road Meter

Mr. Wagner stated he will have to visit representatives in charge of this project for the Airport to go over what is required to finalize this project. In response to a question raised by Mr. Dickerson, the Authority did not require a bond for this project since it was with the City of Lynchburg, so it has made it difficult to get the City to meet deadlines to close out this project. The City hired a contractor that was very competent to complete the work, but the contractor has had some issues completing the administrative portion of the project, such as completing the paperwork necessary to close the project.

80-2105 Village Drive Patio Homes

There is one more document required to complete this project.

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

The Contracts have been executed. The Notice to Proceed was issued to Anderson Construction dated February 1, 2024. Mr. Wagner stated he expects shop drawings the week of January 29, 2024. This project should begin around the same time that Counts & Dobyns completes the gravity sewer and force main portion of this project.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

As of the last pay request, construction was at approximately 75 percent complete. Construction on this project is expected to be substantially complete by the end of January 2024.

80-2206 Home2Suites Motel

This project is almost complete with the exception of the installation of the backflow preventor on the fire line because the original assembly was not lead-free.

80-2205 Liberty University Aviation Maintenance Facility

Authority staff is in the process of reviewing record drawings for this project.

80-2104 Castle Craig Water System Replacement

VDH has accepted the Asset Management Plan. The Authority needs to send a final requisition, and then this project will be complete. It is expected this project will be brought to the Board for approval in the next couple of months.

80-2204 Merryman Parcels Off-Site Sewer (The Allure)

This project is complete. It is hoped this project will be brought to the Board in the next couple of months for acceptance into the Authority system.

80-2212 Blue Ridge Commons – Section 2

The Contractor is working on the clubhouse and pool, so once that is complete, this project will be finalized.

80-2208 Merryman Parcels On-Site Water and Sewer (The Allure)

Authority staff is reviewing record drawings.

80-2215 Absolute Storage (Combined with Chick-fil-A)

This project is complete. It is hoped this project will be brought to the Board in the next couple of months for acceptance into the Authority system.

80-2101 Trent's Landing – Section 3

The record drawings are being reviewed

80-2309 The Allure – Section 2

The record drawings are being reviewed.

80-2210 Leesville Road Apartments

Construction of the sewer main has been completed but CCTV inspection and manhole testing needs to be performed. The wet tap on the Leesville Road force main has been completed, but the Contractor is still working on the private wastewater pumpstation.

80-2307 Leesville Road Apartments – Off-Site Water Extension

The waterline has been installed but has not yet been tested. The tie-ins at Buxton, Lynview, and Charldon roads and have not been made as of the meeting date. The Contractor also needs to place more fill material and properly compact the fill. It has been found that the Contractor would wait for Mr. Meese to leave the area and they would halt compacting which has caused over a foot of settlement on the side of Leesville Road over the winter. The Contractor has been told they cannot have water to test until the line is properly backfilled.

80-2405 Brookville High School Water and Sewer improvements

This project is just getting started. The Contractor started with the sewer portion of the project.

Final costs for the Office Renovation FY22

The final cost of the Office Renovation project was \$503,348.47. The summary of expenses was distributed for review and discussion and is on file in the Authority office. This amount includes engineering and construction costs of \$470,700, which will be depreciated over 20 years. A total of \$32,648.47 was to purchase furniture and accessories for the new offices, the patio outside, the Executive Director's office, and the card reader to enter the office through the new entrance. This amount will be depreciated over 10 years.

No motion is required for this project because the project was funded and constructed solely by the Authority.

D4. DIRECTORS REPORT

The Director's Report was reviewed and is available at the office for review.

1. Activities Calendar – Distributed for review and discussion and is on file in the Authority office. Mr. Wells stated there will be a public hearing at the Board of Supervisors meeting on February 6, 2024 to discuss access management improvements for the area from Russell Woods Road to Calahan Road on US Route 29. VDOT is considering lengthening turn lanes and eliminating median crossovers. The Authority has both water and sewer infrastructure in the area affected by these changes.
2. Next Board Meeting – Tuesday, February 27th at 5:00 p.m.
3. Telework Report – There was nothing to report for the month of December 2023.
4. Board of Supervisor Updates – Mr. Wells stated he was pleased to announce that Supervisor Matt Cline will continue as the liaison to CCUSA Board.

The joint meeting with the Board of Supervisors and the Authority Board is planned for September 17, 2024 at 6 pm.

5. Legislative Update – As of January 23, 2024, there were over 2,470 bills and resolutions introduced. The last day to introduce bills was Jan. 19th. VWWAA, VMDWA and VAMWA are holding weekly calls to update members on the status of bills of interest. Authority staff will monitor this weekly and report on bills of interest. As of January 23, 2024 through Authority associations, 126 bills of interest are being monitored.

Mr. Wells stated that some bills of interest from previous years have resurfaced, specifically some PFAS bills. All of the PFAS bills are focused on finding the sources of PFAS to address the issue at the source instead of at the water treatment facilities, which would be beneficial to the Authority and other treatment facilities.

There are a number of bills related to data centers and giving localities more control over siting data centers.

There is one bill that will allow utilities more flexibility for operator staffing without being out of compliance in cases that employees leave without notice or are injured, etc. to better deal with unexpected employment vacancies.

There are a group of bills related to construction that are resurfacing that are against design build procurement procedures and want to return to the more traditional bid process.

There is a bill that addresses microplastics. The bill would require VDH to study the effects of microplastics and then report back to the Governor's office.

There are some utility disconnect bills that would prevent disconnection in certain cases: one bill addresses customers with medical conditions; one bill addresses weather conditions and not being able to disconnect when the weather is too cold or too hot. These bills are addressing all utilities, not just water. These bills have been presented in previous years and were tabled but are now resurfacing.

There are no "water is a right" bills presented this year.

The Board requested that Mr. Wells send an electronic copy of the full list of bills that are being considered in 2024.

6. Invoice Cloud Update – The Authority has been offering Invoice Cloud as an online payment option for the last 2-1/2 years. For calendar year 2023, approximately 16,300 transactions were processed, accounting for over \$1.7 million or ~ 21% of our annual revenues. Approximately 1,540 accounts have enrolled in paperless billing with around 600 on autopay. In addition, there are approximately 650 customers that have automatic payment arrangements with their banking institutions that are grandfathered on the old autopay system. Mr. Wells stated that all of these numbers have increased from last year, so Authority customers seem to like the new services provided through Invoice Cloud.

In response to a question raised by Mr. Richardson, it is completely voluntary for a customer to sign up for Invoice Cloud. For information: Customers can sign up for Invoice Cloud without having to select paperless billing. Invoice Cloud will send at least two notices, one that states they have an invoice that has been posted when the bill first goes out, a second notice that alert the customer that the due date is approaching. These notices are directly from Invoice Cloud and there is no cost to the customer or the Authority for this part of the service. These notices from Invoice Cloud are in addition to the two paper notices the Authority mails.

In response to a question raised by Mr. Cline, Invoice Cloud charges \$4.50 per payment. In response to a question raised by Mr. Austin, one of the main benefits of signing up for Invoice Cloud paperless billing is that customers can look at their bill online and have access to your bill online quicker than customers that have to wait for their bill to be delivered through the mail. The cost of the paperless billing to the Authority is offset by the amount that is saved by not mailing a bill to the customers that use the service. The Authority does not have to pay for paper, envelopes, or postage for Invoice Cloud customers that choose paperless billing.

A few Board members inquired how Authority staff could require customers that are disconnected on cut-off day to sign up for either automatic payments through ACH (which would require the customer to pay a \$4.50 fee each billing cycle but would save the customer the \$50 Reconnection Fee) or encourage the customer to give the Authority their e-mail so that Invoice Cloud could send a notice that their bill due date was approaching. Mr. Wells stated he is not aware of any water/sewer utilities that allow customers to pay without a fee. Mr. Wagner stated that large companies will allow customers to pay for free because they have buried the cost of that service in the cost of their product and that charge is passed along to the customer without the customer knowing. In that case, the customer is paying for that service whether they use it or not.

7. Inactive Accounts with a Debit Balance Report - Legislation went into effect July 1, 2012 that required the Authority to charge deposits on new accounts to retain the right to place liens for unpaid bills. The CCUSA Board opted not to adopt a deposit policy, instead it was decided that the Account Establishment Fee would be increased from \$25.00 to \$50.00. With \$25 set aside to cover inactive account losses. The annual summary of the losses and revenue collection since 2012 was distributed for discussion and is on file in the Authority office. There is currently a surplus in the account and the Board concurred that the \$25 is still serving its purpose and that no need to change the fee is needed for FY25.
8. 2022 Fluoridation Award – The Otter River Water Treatment Plant has again been recognized by the U.S. Department of Health and Human Services, Centers for

Disease Control (CDC) for consistently providing drinking water with optimal fluoride levels for preventing tooth decay. The Authority adjusted the fluoride in the water to an optimal amount of 0.7 milligrams per liter. Only 58 public water systems in the Commonwealth of Virginia received this award for 2022, which Mr. Wells noted is less than half of the surface water treatment facilities in Virginia. Mr. Wells noted that the water plant operators do an excellent job meeting this requirement.

9. Water Production & Wastewater to COL – Charts for the water production & connections and wastewater sent to the City of Lynchburg (COL) and connections through 2023 were distributed for review and discussion and are on file in the Authority office. The Authority system continues to see strong growth in the number of connections especially for water customers. If historical rates of growth continue, Authority staff will need to start planning for upgrades at the water treatment plant around 2032. Wastewater treated at the Regional Wastewater Treatment Facility (in the City of Lynchburg) would reach approximately 80% of capacity around 2040.

In response to a question raised by Mr. Dickerson, the flow in the Otter River should support withdrawal of up to 5 million gallons per day (mgd); however, an analysis of the flow of the Otter River has not been performed for some time. There is a stream gauge on the Otter River that would allow another analysis to be performed fairly easily. Mr. Wells stated he is comfortable that the Authority would be allowed to withdraw up to 5 mgd but not sure the Authority could get approval to withdraw 6 mgd. Mr. Dickerson stated the quarry could be a possible location for a water reservoir to serve the Authority in the future. The Authority has an agreement with the City of Lynchburg to purchase water in case of an emergency; however, a long-term agreement would involve a decision from the City Council and is not guaranteed. Mr. Wells stated that the Authority would not want to mix water purchased from the City with Authority water. There would need to be a designated portion of the Authority distribution system being served by the City.

10. Proposed Timeline for Budget Activities – Looking forward over the next six months Authority staff has developed target dates that will provide sufficient time to notify customers if a rate and/or fee increase is considered. The new timeline combines the Rate Analysis and initial Budget presentations at the March Board meeting. A decision on whether the Authority should advertise a public hearing for rate/fee increases will be requested at the March meeting. If it is decided a public hearing should be held, Authority staff will work to have the public hearing in mid-April prior so that a decision can be made on any rate changes at the April Board meeting. If changes are made, notices of the changes will be included with the May and June billing and the new rates will be in effect with billing dated July 1, 2024.

11. Budget Development – As Authority staff works to develop a preliminary budget and update the rate analysis there are a few items that will be impactful.

Even with the FY24 rate increases, water revenue is still subsidizing sewer expenses. The City of Lynchburg has notified the Authority that, due to rising electrical and chemical costs, the Authority's sewer rate will increase approximately 29%. The flat billing of \$38,875 was increased to \$50,300 per month in the middle of FY24. Also, the Authority's portion of the FY24 PayGo projects (to be billed in FY25) is estimated to be \$157,000 which is significantly higher than previous years of \$60,000 or less. As the number of sewer customers grows it will become even more important to achieve a sustainable sewer rate.

In keeping with the Authority's financial policy, funding for capital improvement projects (CIP) will target 80% from operations and 20% from capital recovery fees. A summary

that shows how Authority staff has budgeted for CIP over the last several years was distributed for review and is on file in the Authority office. Because most of the Authority's capital projects are to replace or repair existing equipment to meet existing demand, Authority staff aims to fund those projects from the existing customer base. The goal is for capital recovery fees to be used to fund future projects needed to increase/replace system capacity.

Authority staff also anticipates increases to our chemical and electrical costs.

12. Evaluation of Connection Fee Charges & Costs – Connection fees have not been adjusted since 2007. Authority costs to connect new customers to the system have increased, especially over the last several years. It has been the Authority's practice to keep connection fees as low as possible while covering costs associated with making the connection. Mr. Wells stated that the purpose of the connection fees is not to make a profit but to pay for the cost to connect the customer; however, with the recent increases in expenses, the Authority is currently losing money on new connections. An evaluation using current expenses indicates an adjustment to both the Authority's water and sewer connection fees is warranted. The evaluation was distributed for review and discussion and is on file in the Authority office.

In response to a question raised by Mr. Marstin, when a developer pays the cost to install a new waterline/ sewer system to serve a new development, the Authority does not charge a connection fee because the developer is paying all of the costs associated with that new line.

13. Evaluation of Capital Recovery and Capacity Fees – Since around 1987, the Authority has collected Water and Sewer Capital Recovery Fees and a Sewer Capacity fee was initiated in 2008. These fees provide financial resources to offset the costs associated with making the capacity available and, in the future, add capacity to the system as new users utilize existing capacity. Authority staff is evaluating an increase in these fees using two different methods: by comparing an annual increase tied to the Construction Cost Index versus a Buy-in methodologically provided in AWWA publications which uses actual costs less depreciation. The calculation using each of the two methods resulted in similar fees.

In response to a question raised by the Board, there was a change to the Code of Virginia in 2013 that states a public hearing for Connection Fees and Capital Recovery Fees is now required.

In response to a question raised by Mr. Elliott, the resulting fee from the analysis did not change the Authority's current placement when comparing the "proposed" fees to the fees of surrounding utilities. The Authority fees would still be less than Amherst and Bedford on both the water and the sewer fees.

E. BOARD ACTION ITEMS

None

F. MATTERS FROM THE BOARD

Service Line Inventory – In response to a question raised by Mr. Austin, the Authority is offering a \$10 credit to customers' bills when they fill out a survey to let Authority staff know what the line is

made out of for that property. Funds offered for this credit are reimbursed through the Grant from VDH.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Richardson, that the Authority meeting be adjourned at 6:10 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. Richardson, seconded by Mr. Dickerson, these minutes are approved this 27th day of February, 2024, with 7 of 7 members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
February 27, 2024 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Charlie Droog – Chairman - called the meeting to order at 5:05 P.M.

A1. MEMBERS PRESENT

Charlie Droog, Chairman
Don Austin, Vice-Chairman
Carter S. Elliott, Jr.
Wilson Dickerson
Joe Kirkland
James Marstin
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison (left at 5:30pm for County meeting)
Clif Tweedy, P.E., Deputy County Administrator (absent – County meeting)
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Josh Pribble, Operations Superintendent
Wendy Meese, Accounting Manager
April Farmer, Technology Coordinator
Vanessa Brown, Office Manager

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Richardson made a motion, seconded by Mr. Dickerson, that the Minutes of the January 23, 2024 Board Meeting be approved.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Copies of the preliminary January 2024 reports were reviewed and are on file in the Authority office.

Summary reports were distributed, and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 5,690,269.45
Expenses:	\$ 3,470,261.54
Budgeted Capital:	\$ 1,719,500.00
Surplus/(Deficit) to date:	\$ 2,220,007.91/ \$500,507.91
Total "Unencumbered"	\$ 4,785,562.30
Bank Balance 1/31/24:	\$ 3,768,651.68
Investment Balance 1/31/24:	\$ 8,154,398.16
Combined Bank Balance 1/31/24:	\$11,923,049.84

For information: billing dated January 5, 2024 reflects an increase of 85,590 hcf for water usage to date (44,455 for billing for said billing period) and an increase of 29,743 hcf for sewer usage to date (9,903 for billing for said billing period). The cumulative increase in revenue resulting from the FY24 increases through billing dated January 5, 2024 was \$561,503.20.

VENDORS

New vendors added in January 2024:

Concrete Pipe & Precast (CP&P) Harrisonburg, VA

Temporary vendors

Full Blast Plumbing (repair at the WTP)

Final Bills (address available upon request):

Tyler Rose

MOTION: Mr. Dickerson made a motion, seconded by Mr. Kirkland, that the new vendor list for January 2024 be approved.

ACTION: Approved Unanimously.

D2. OPERATIONS REPORT

Mr. Pribble briefly reviewed the statistical and operation reports for January 2024. Copies of said reports are available in the Authority office.

Treatment at the Otter River Water Plant was up 0.5 percent, or 2,963,000 gallons, compared to January 2023. Sales to the Town of Altavista have decreased 28.9 percent (3,266,778 gallons) from the previous year. Sales to the East System have increased by 6.8 percent (6,584,644 gallons). Overall Central System retail sales increased 1.1 percent (6,020,338 gallons) to date this fiscal year compared to fiscal year 2023. Usage in Naruna decreased 2.1 percent (202,468 gallons) from the previous year. Total CCUSA water reflected an increase of 1.0 percent to date in FY24 compared to FY23.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 3.1 percent (215,000 gallons) compared to last fiscal year. Wastewater sent to the City of Lynchburg for treatment increased 5.1 percent (6,143,213 gallons) from last fiscal year through January. The overall result was an increase in wastewater treatment for the fiscal year to date of 5.0 percent (6,358,213 gallons) from last year.

There were 28 new connections serving 28 units for water and 18 new connections serving 18 units for sewer in the month of January 2024 compared to 33 new water connections and 30 new sewer connection serving 57 and 54 units, respectively, in January 2023.

There were 71 disconnections for non-payment of bills in January compared to 63 disconnections for non-payment in January 2023. The year-to-date number of disconnections through January 2024 reflects an increase of 62 disconnections for FY24 compared to FY23.

The Authority had 9,066 metered water connections serving 14,753 units and 3,143 sewer connections serving 5,678 units as of January 31, 2024.

There were 904 travel points during the month of January 2024, which was an average of 45 stops per workday. In response to a question raised by Mr. Richardson, the Authority had five maintenance staff through the dates of the January reports; however, Mr. Trae Moon resigned effective February 23, 2024 to pursue a career in mechanics, so the maintenance department is back down to four maintenance staff. Mr. Pribble stated that the position has been advertised on the Authority website and the Indeed website and that several applications are being reviewed.

In response to a question raised by Mr. Droog, many of the remote meters in the system have reached the end of their useful life and are starting to fail. This led to maintenance staff manually reading some meters in December. Another issue that the maintenance staff faced in December was a malfunction of the radio read system. Maintenance staff zip-tied the antenna to the lightbar on top of the two new trucks because the magnetic antenna would not stick to the aluminum roof of the new trucks (the antennae are magnetic and had previous been attached to the roof of the old trucks that were made of steel). Mr. Ellis Tyree had to manually read an additional 325 meters due to this issue. A combination of these issues caused the bills to go out later than usual, which meant the bills covered more than the usual number of days in the billing cycle resulting in bills being higher than usual. Mr. Droog stated that he had received customer complaints; however, none of the other Board members had received complaints as of the meeting date.

During 2020 and 2021, there were meters that failed in the system that were replaced with manual-read meters because of supply chain issues for the end points of the radio read meters. There are approximately 432 meters in the system that are being read manually

until the endpoints are received. Mr. Pribble stated that he has also ordered 580 cellular meters that will transmit directly to customer service. These meters are part of a pilot project and Mr. Pribble stated that the meters will be placed in areas that are dangerous to read, such as Leesville Road and Route 29.

In response to a question raised by Mr. Dickerson, 1,000 meters were ordered approximately six months ago that have an estimated delivery date within the next month (a total of six months from the order date before they will be received.) Mr. Wells met with a representative from Badger Meter that has suggested using a M-meter that currently has a six-week delivery window. The only drawback to the M-meter is that the Maintenance Technician will have to make contact with the meter to pull a profile of customer usage versus being able to pull the profile without exiting the Authority vehicle. Mr. Pribble stated that Authority staff does not pull enough profiles to justify the long wait time, so the M-meters have been ordered. Mr. Pribble clarified that the M-meters will still pull a profile, but staff will have to pull the report manually instead of being able to pull the report from the vehicle automatically. The current price for either meter is \$293.

In response to a question raised by Mr. Droog, locates for companies laying fiber optic lines have increased just slightly over the last month. Mr. Pribble stated that one of the companies is trying to lay 40,000 feet per week of fiber optic lines; however, that company only has three weeks left in Campbell County before moving on to Bedford County.

Mr. Droog expressed concern that there is at least one construction crew that has their own water meter. The crew is using this meter to pull water from Authority fire hydrants. Mr. Droog stated that the concern is cross-contamination more so than the fact that the company is stealing Authority water. It was determined that neither Authority staff nor the Authority Board has the right to take the meter from the crew; however, Authority staff or Board member could request that the crew surrender the meter or charges will be filed. The crew member is following directions from a manager of the company and is likely not at fault. Mr. Pribble stated that the Authority no longer issues meters to contractors, that the Authority now requires companies to go to the water plant so that Authority staff can inspect the truck and supervise the water being withdrawn from the system. Mr. Wagner stated that he is meeting with the Fire Marshall and a building official the first week of March 2024, Mr. Wagner will let the Fire Marshall know that this is happening so there will be more sets of eyes monitoring the system for unauthorized use. Mr. Wagner stated he would also contact Sherriff Clark to let him know that only CCUSA staff, Toney Construction crews, and volunteers from the fire department are allowed to connect to Authority fire hydrants.

The Otter River was flowing at approximately 160 mgd on the meeting date and the record low for February 27th was 51.7 mgd in 2002. The median flow for February 27th was 220 mgd.

D3. ENGINEERING REPORT

The Construction Activities Report was reviewed and is available at the office for review.

80-2002 English Commons On-Site Water and Sewer

This project is nearing completion. The Contractor is working on the final townhouse building.

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner has received CAD files for this project and is in the process of reviewing the files.

80-2009 Rustburg Middle School Water and Sewer improvements

Record drawings have been received and are under review. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed.

80-2003 Lynchburg Airport Rangoon Road Meter

Record drawings have been approved. There is one minor item that remains before this project can be closed.

80-2105 Village Drive Patio Homes

The water and sewer portion of this project is mostly complete; however, there is one more document required before the Authority can reduce the bond held for this project. The Developer has temporarily paused construction because the market has slowed, but the Authority will hold a small bond in case there are any damages to the water and sewer infrastructure, sewage cleanouts, or meter services when construction resumes.

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

Anderson Construction is starting construction of this project. Authority staff is in the process of reviewing shop drawings.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

Mr. Wagner stated that testing of the gravity sewer main took place on February 27, 2024. Counts & Dobyns should complete the gravity sewer portion of this project within the next month.

80-2206 Home2Suites Motel

This project is almost complete with the exception of the installation of the backflow preventor on the fire line because the original assembly was not lead-free.

80-2205 Liberty University Aviation Maintenance Facility

Authority staff is in the process of reviewing record drawings for this project.

80-2104 Castle Craig Water System Replacement

Construction of this project is complete. It is expected this project will be brought to the Board for approval in the next couple of months.

80-2204 Merryman Parcels Off-Site Sewer (The Allure)

This project is complete. It is hoped this project will be brought to the Board in the next couple of months for acceptance into the Authority system.

80-2212 Blue Ridge Commons – Section 2

The Contractor is working on the clubhouse and pool, so once that is complete, this project will be finalized.

80-2208 Merryman Parcels On-Site Water and Sewer (The Allure)

The developer has paused construction on this project because the housing market has slowed. Authority staff will reduce the bond being held on this project.

80-2215 Absolute Storage (Combined with Chick-fil-A)

This project is complete. It is hoped this project will be brought to the Board in the next couple of months for acceptance into the Authority system.

80-2101 Trent's Landing – Section 3

The record drawings are being reviewed.

80-2309 The Allure – Section 2

The record drawings are being reviewed.

80-2210 Leesville Road Apartments

Construction of the sewer main has been completed and the wet tap on the Leesville Road force main has been completed. CCTV inspection and manhole testing needs to be performed and the Contractor is still working on the private wastewater pump station.

80-2307 Leesville Road Apartments – Off-Site Water Extension

The waterline has been installed but has not yet been filled or tested because restoration has not been completed to Authority standards. The Contractor needs to place more fill material and properly compact the fill. It has been found that the Contractor would wait for Mr. Meese to leave the area and they would halt compacting which has caused over a foot of settlement on the side of Leesville Road over the winter. The Contractor has been told they cannot have water to test until the line is properly backfilled.

80-2310 Crescent Grove Subdivision

The design engineer was making grading adjustments, but Authority staff made several comments, and now it is uncertain if the project will move forward per the redesign or per the original design.

80-2405 Brookville High School Water and Sewer improvements

This project is just getting started. The Contractor started with the sewer portion of the project.

General

In response to a question raised by Mr. Marstin, there is residential complex being proposed to the Campbell County Project Evaluation Committee that would be located at the corner of English Tavern Road and Depot Road. The proposed complex will be a mix of townhomes and apartments. Mr. Wagner stated the description of the project is proposing a public pump station to be constructed as part of the project, but the bid for the Yellow Branch Pump Station would indicate that the pump station would cost the developer approximately \$1.3 million. Mr. Wagner stated that the development could use a private pump station if the complex is all apartments; however, if the complex is all townhomes the developer would need to build a public wastewater pump station to Authority standards.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Activities Calendar – Attached and is on file in the Authority office.
2. Next Board Meeting – Tuesday, March 26th at 5:00 p.m.

3. Telework Report – Nothing to report for the previous month.
4. Employee Update – Mr. Trae Moon, one of the Authority's five Maintenance Mechanics, has resigned. His last day is February 23rd. Authority staff wishes him well with his future endeavors. The Maintenance Mechanic position was advertised with a closing date of March 8, 2024.
5. Questionnaire for Board/County – A summary of responses was provided at the meeting. The overall feedback was very positive, and many people commented on the dedicated nature and resourcefulness of the Authority staff. There were several comments related to staffing needs, better utilizing technology, and expanding infrastructure. Next steps will be to finish collecting responses from staff and to prepare a plan for Board consideration at a future meeting.
6. Summary of Regional Rates & Fees – The annual summary of updated rates and fees from neighboring localities was provided at the meeting.

The 2024 Water and Wastewater Rate Report was presented for the Board's review, consideration, questions, and comments. The following eight entities were compared in this analysis: the Town of Altavista, **Amherst County Service Authority**, the Town of Amherst, the Town of Appomattox, **Bedford Regional Water Authority**, the Town of Brookneal, the City of Lynchburg, and **Campbell County Utilities and Service Authority**. Mr. Wagner noted that some of the entities are possibly subsidized by General Fund Revenue, so the comparison is concentrated on entities that depend solely on rates and charges (these entities are signified by bold print above.)

Mr. Wagner stated that most of the entities increased rates and fees last year. The only two entities that did not increase fees were the Town of Brookneal and the Town of Amherst. When comparing overall recurring water fees (base charge and water usage rate), there were three entities with monthly charges lower than the Authority; however, all three of these entities are possibly subsidized with General Fund Revenue. Of the entities that rely solely on rates and charges, CCUSA charges the lowest monthly fees. In the comparison of monthly water and sewer usage, the Authority charged \$87.02 and the next lowest was the Town of Amherst which charges \$115.95. In response to a question raised by Mr. Dickerson, the Town of Altavista is planning to have rate increases each year, but the current rate schedule is so much less than the other entities in the area that it will take several years for the Town of Altavista rates to reach the same level of the comparable entities.

When comparing sewer commodity rates, the Authority had the fourth lowest rates; the Town of Brookneal, the Town of Altavista, and the Town of Amherst had lower sewer commodity rates than the Authority. Some of the entities that are possibly subsidized by General Fund Revenue charged more monthly than the Authority.

Mr. Kirkland stated that the City of Lynchburg sewer rate is three times higher than its water rate. Mr. Wagner stated that the City of Lynchburg's sewer rate has to be a certain percentage of the median household income pursuant to a consent order with the State. The Board stated that the Authority should strive for sewer fees to support sewer expenses.

When comparing total monthly charges for customers that have both water and sewer, residents in Campbell County pay less than customers in Amherst, Bedford, or Appomattox. The City of Lynchburg, the Town of Brookneal, and the Town of Altavista charge lower monthly fees than the Authority.

The Authority and two other entities charge \$1,500 Water Connection Fee per residential connection (this number was five other entities last year), but the City of Lynchburg, the Town of Amherst, and the Town of Brookneal charge less and the Town of Altavista and Bedford Regional Water Authority both charge more; however, when Water Capital Recovery Fees and Connection Fees are combined, there are four entities that charge less than the Authority and three entities that charge more. The combined fees for the eight entities range from \$250 to \$6,600. The Authority's combined Capital Recovery and Connection Fees total \$3,400. Authority staff is considering an increase in Connection Fees due to an increase in the cost of materials and an increase in contract pricing from the Authority's Contractor that performs new service installation.

There are three entities that charge less for Sewer Connection Fees than the Authority; however, when Sewer Capital Recovery Fees and Connection Fees are combined, the Authority falls to fifth place, with four entities charging less than the Authority and three entities charging more. The combined fees for the eight entities range from \$250 to \$8,400. The Authority's combined Capital Recovery and Connection Fees total \$4,100.

When comparing a 10-year period of initial fees and 10 years of usage at the current commodity rate for residential or a small business such as a fast-food restaurant, the Authority is cheaper from the initial fees and becomes more and more affordable than the other two service authorities (Bedford and Amherst.) When comparing a sit-down restaurant, the Authority is the highest in the first few years because of the initial fees, but the Authority becomes cheaper than Bedford in year 4 and cheaper than Amherst in year 7. When comparing industrial entities, the Authority is again the most expensive in the initial years but becomes cheaper than Bedford in year 4 and cheaper than Amherst in 7.5 years. Mr. Wagner stated that Campbell County Economic Development offers incentive plans that offset the Authority's initial fees. The Sewer Capacity Fee is a fee that makes the Authority more expensive than other entities; however, Bedford Regional Water Authority is considering implementing this fee. The four towns and the City of Lynchburg are all cheaper than the Authority; however, the Town of Amherst is gaining on the Authority because their commodity rates are considerably higher.

In response to a question raised by Mr. Richardson, when a restaurant or any other entity makes connection and the ERU's for the Capital Recovery Fee is estimated, the entity is advised that an audit will be performed one year after normal usage begins and an adjustment will be made for the entity on the amount of Capital Recovery Fees made. Mr. Wagner stated that Authority staff will not estimate the number of ERU's that are initially charged, it is required for the user, or a consultant hired by the user to determine what the initial ERU's are charged. The Authority may also evaluate usage after one year if there is a change in use for a property or a change that is made that will increase usage.

The Authority's last water and sewer Capital Recovery Fee and Connection Fee increases were January 1, 2010. In response to a question raised by Mr. Austin, the Authority will be required to have a public hearing if a change is made to any fees or charges.

Informational

7. Legislative Update – VWWAA, VMDWA and VAMWA are continuing to hold weekly calls to update members on the status of bills of interest. The current session is scheduled to adjourn on March 9th. Bills related to PFAS, utility disconnections,

procurement methods and prioritizing drinking water in permitting and regulatory processes are still being considered. The 68-page summary was e-mailed for Board review and is on file in the Authority office.

Mr. Wells stated that the PFAS bills of interest from previous years have resurfaced and are likely to pass this year. One of the PFAS bills requires one-time reporting from manufacturing facilities. The other PFAS bill is reporting on where PFAS is being found for DEQ to research the source. Both PFAS bills that are likely to pass this year are focused on finding the sources of PFAS to address the issue at the source instead of at the water treatment facilities. This change is beneficial to the Authority and other treatment facilities.

There is one bill being considered that will allow utilities more flexibility for operator staffing without being out of compliance in cases where employees leave without notice or are injured, etc. This bill is beneficial because it would allow the Authority to handle unexpected employment vacancies.

There is a group of bills related to construction that are resurfacing that are against design build procurement procedures and want to return to the more traditional bid process.

There were some utility disconnect bills that would prevent disconnection in certain cases; however, most of these bills have been defeated. SB480 is still being discussed and currently does not apply to service authorities; however, if the wording is changed slightly, the bill could apply to the Authority as well. This bill also states that, following a State of Emergency declared by the Governor of Virginia, utilities cannot be disconnected until 30 days following the state of emergency. This bill states that electric and gas utilities that will not allow disconnection of services when the temperature is below 32 degrees or over 92 degrees. In response to a question raised by Mr. Richardson, if an Authority is absorbed as part of the County, this bill would apply but it does not apply to separate service Authorities. The part of the bill that would affect the Authority states that water, wastewater, electric service, or gas cannot be disconnected on Fridays, weekends, state holidays, or the day immediately preceding state holidays. This bill also specifies that disconnection is not allowed unless an account has been in arrears for at least sixty days.

E. BOARD ACTION ITEMS

E1. Budget Committee

The proposed timeline is:

March 21, 2024	Budget meeting will be held with Budget Committee at the Timberlake office in the Board meeting room
March meeting	Budget and Rate Analysis to be presented to determine if increases should be advertised – advertise ASAP if public meeting is required
Mid-April	If decided by the Board – a public hearing will be held

April meeting Vote on rate/fee increase if one is proposed. Advertise new rate/fee if approved. Notice will be included in May and June billing, if rate/fee change if approved.

July 1st New rates/fees will be in place in time for the new fiscal year (if approved).

After discussion, Mr. Richardson and Mr. Droog were appointed as Budget Committee members.

Informational only

F. MATTERS FROM THE BOARD

This time is to discuss any matters from the Board members.

- F1. Valor Farms – Mr. Dickerson stated that he and Mr. Droog had been contacted by Valor Farms about the possibility of a waterline being extended to serve the facility. Valor Farms is a Veterans healthcare facility located on Wards Road near Altavista. Mr. Dickerson and Mr. Droog met with Mr. Russell Nixon, Mr. Robert “Gunny” Campbell who is the construction manager of the facility, and Mr. Dale Grigg. The Center currently has 12 houses in the “village” but plans to have 96 homes, buildings for activities such as woodworking, and a lodge to house visitors. There are two wells on the property. There was one well that was meeting needs; however, when excavation was performed on the property, the casing was damaged, and the well is no longer producing the amount of water it was producing prior to the damage.

In response to a question raised by Mr. Elliott, a waterline runs in front of the property; however, the buildings are 1.5 miles from the waterline. Mr. Wagner stated that a master meter could be placed at US Route 29 at the right-of-way line, but the private extension would have to run a mile and a half to reach the buildings. It is planned for the lodge to be placed closer to the road, so it should not be as much of an issue to serve; however, Mr. Wagner stated the lodge will most likely require fire protection.

Mr. Dickerson communicated the policy of economic feasibility for water extensions and the applicable fees to run waterline extensions to the representatives of Valor Farms. Both Mr. Nixon and Mr. Campbell complained about this policy. Mr. Dickerson explained that the Authority does not receive tax revenue and functions on revenue from the existing customer base and that new connections must support themselves. Mr. Dickerson advised that Valor Farms should contract an engineer to determine the service that is needed for the full build-out and make a proposal to the Authority Board at a future meeting but made no promises that the Authority could commit funding. Mr. Dickerson stated that the US Department of Veterans Affairs does not assist the operation financially.

Mr. Wagner stated that there are also sewage issues at the property and that a private pump station may have to be constructed to pump to the sewage system in Altavista. This will also be a large expense. Representatives of Valor Farms have already had a conversation with Mr. Wells and Mr. Wagner on options to serve the property for both water and sewer. Mr. Richardson stated that this issue will likely be taken before the Campbell County Board of Supervisors.

In response to a question raised by Mr. Kirkland, the area has poor soil for drain fields and limited groundwater for drilling wells. Mr. Wagner stated that many residents in the area have approached the Authority for waterline extensions and 50/50 waterline projects in the past. The groundwater in the area also has issues with sediment, iron, and manganese.

- F2. Invoice Cloud Update – Ms. Brown was in attendance to address questions regarding services provided by Invoice Cloud at the January Board meeting.

For information: The Authority has been offering Invoice Cloud as an online payment option for the last 2-1/2 years. For calendar year 2023, approximately 16,300 transactions were processed, accounting for over \$1.7 million or ~ 21% of our annual revenues. Approximately 1,540 accounts have enrolled in paperless billing with around 600 on autopay. In addition, there are approximately 650 customers that have automatic payment arrangements with their banking institutions that are grandfathered on the old autopay system. All these numbers have increased from last year, so Authority customers seem to like the new services provided through Invoice Cloud.

Ms. Brown stated that, of the customers that are disconnected on cut-off day, most of them are cut-off on a regular basis for nonpayment. There are many options available to Authority customers to make payment: customers can pay in person in the office, drop a payment off during or after hours using the night drop on the front of the building, they can mail their payment, they can pay through their bank using the bank's bill-pay service, they can pay online using a third-party and pay the applicable fee, and they can sign up for automatic draft which also has a third-party fee. Ms. Brown stated the customers are told on cut-off day that they can make payments in any increment they want, if they want to pay weekly or bi-weekly so that they can spread the payments out to a routine that is more convenient to them, they have that option. Ms. Brown stated that customers that sign up for Invoice Cloud can choose to have e-mails sent to remind them of due dates; however, Ms. Brown stated that some customers will never open these e-mails and will never even check to see how much their bill is or when it is due. Customer service has attempted many ways for customers to have information available but cannot force customers to use the service.

Ms. Brown noted that the Authority has had issues receiving and sending Authority mail. There has been turnover at the post office and there were several consecutive days that the Authority did not receive mail. Ms. Brown stated that there was one occasion that the postal carrier left the mail outside the side office door some time after closing and the mail was found at 10 pm that evening. If the Authority is having this issue with the postal service, it is likely that customers are also having issues and payments are getting lost in the mail. The post office is not as reliable as it used to be.

In response to a question raised by Mr. Elliott, Invoice Cloud charges \$4.50 per payment.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the Authority meeting be adjourned at 6:35 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. Dickerson, seconded by Mr. Austin, these minutes are approved this 26th day of March, 2024, with 7 of 7 members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
March 26, 2024 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Charlie Droog – Chairman - called the meeting to order at 5 P.M. with the Pledge of Allegiance and a Prayer

A1. MEMBERS PRESENT

Charlie Droog, Chairman
Don Austin, Vice-Chairman
Wilson Dickerson
Carter S. Elliott, Jr.
Joe Kirkland
James Marstin
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison (left at 5:30 for a County meeting)
Clif Tweedy, P.E., Deputy County Administrator (left at 6:00 for a County meeting)
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Josh Pribble, Operations Superintendent
Wendy Meese, Accounting Manager
April Farmer, Technology Coordinator

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Dickerson made a motion, seconded by Mr. Austin, that the Minutes of the February 27, 2024 Board Meeting be approved.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Copies of the preliminary February 2024 reports were reviewed and are on file in the Authority office.

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 6,465,787.97
Expenses:	\$ 3,959,962.72
Budgeted Capital:	\$ 1,719,500.00
Surplus/(Deficit) to date:	\$ 2,505,825.25 / \$786,325.25
Total "Unencumbered"	\$ 4,922,672.90
Bank Balance 2/29/24:	\$ 4,113,583.05
Investment Balance 2/29/24:	\$ 8,176,358.45
Combined Bank Balance 2/29/24:	\$12,289,941.50

The FY23 Annual Comprehensive Financial Report (ACFR) as audited by Robinson, Farmer, Cox Associates was distributed for review and was briefly discussed. Authority staff will request formal approval of the FY23 ACFR at the April meeting.

For information only

VENDORS

No new vendors were added in February 2024:

Temporary vendors

Hallmark Properties, Inc (assessment of pump station lot for Martin Drive)

Final Bills and refunds of AEF (address available upon request):

Mark Marston	Radiance. LLC	Cynthia S. Mock
Christopher F. Cawley	Elizabeth Grant	Robert R. Dawson
Kadie W. Humphrey	Signature Properties	Barry Woodard
Jonathan S. Bloomfield	All New Properties	Cerra F. Sampson
Akylia Walker	Riesha L. Baker	
Adams Investment Properties		
Compassion Church of the Nazarene		

For information only

D2. OPERATIONS REPORT

Mr. Pribble briefly reviewed the statistical and operation reports for February 2024. Copies of said reports are available in the Authority office.

Treatment at the Otter River Water Plant was up 1.4 percent, or 8,564,000 gallons, compared to February 2023. Sales to the Town of Altavista have decreased 1.2 percent (138,500 gallons) from the previous year. Sales to the East System have increased by 6.8 percent (7,512,164 gallons). Overall Central System retail sales increased 1.4 percent (8,493,060 gallons) to date this fiscal year compared to fiscal year 2023. Usage in Naruna decreased 2.4 percent (265,198 gallons) from the previous year. Total CCUSA water reflected an increase of 1.3 percent to date in FY24 compared to FY23.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 1.7 percent (133,000 gallons) compared to last fiscal year. Wastewater sent to the City of Lynchburg for treatment increased 5.1 percent (6,607,913 gallons) from last fiscal year through February. The overall result was an increase in wastewater treatment for the fiscal year to date of 4.9 percent (6,740,913 gallons) from last year.

There were 9 new connections serving 11 units for water and 6 new connections serving 8 units for sewer in the month of February 2024 compared to 21 new water connections and 18 new sewer connection serving 27 and 24 units, respectively, in February 2023.

There were 82 disconnections for non-payment of bills in February compared to 61 disconnections for non-payment in February 2023. The year-to-date number of disconnections through February 2024 reflects an increase of 84 disconnections for FY24 compared to FY23.

The Authority had 9,075 metered water connections serving 14,764 units and 3,149 sewer connections serving 5,686 units as of February 29, 2024.

There were 1,060 travel points during the month of January 2024, which was an average of 53 stops per workday.

The Otter River was flowing at approximately 193 mgd on the meeting date and the record low for March 26th was 71 mgd in 2002. The median flow for March 26th was 233 mgd.

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Record drawings have been approved. There is one minor item that remains before this project can be closed.

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The water and sewer portion of this project is mostly complete; however, there is one more document required before the Authority can reduce the bond held for this project. The Developer has temporarily paused construction because the market has slowed, but the Authority will hold a small bond in case there are any damages to the water and sewer infrastructure, sewage cleanouts, or meter services when construction resumes.

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

Anderson Construction is setting up erosion and sediment control measures and started clearing and grubbing the week of March 18, 2024. Authority staff is in the process of reviewing shop drawings.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

Construction is complete. Mr. Wagner stated that CCTV testing of the gravity sewer main is underway.

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This project is almost complete except for the installation of the backflow preventor on the fire line because the original assembly was not lead-free.

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Construction of this project is complete. It is expected this project will be brought to the Board for approval in the next couple of months.

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The Contractor is working on the clubhouse and pool, so once that is complete, this project will be finalized.

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The record drawings are being reviewed.

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The record drawings are being reviewed.

80-2210 Leesville Road Apartments

Construction of the gravity sewer has been completed and the wet tap on the Leesville Road force main has been completed. CCTV inspection and manhole testing needs to be performed.

80-2307 Leesville Road Apartments – Off-Site Water Extension

This project is complete and testing is underway. The Contractor still needs to make tie-ins at Lynview and Charldon Roads.

80-2310 Crescent Grove Subdivision

The design engineer has made grading adjustments and revised drawings have been submitted.

In response to a question raised by Mr. Austin, Crescent Grove Subdivision is a 64-unit single-family subdivision that is being constructed on vacant land in the Rainbow Forest Drive area.

80-2405 Brookville High School Water and Sewer improvements

The Contractor is working on the sewer portion of the project and will begin construction of the fire line in the near future.

Final costs for Merryman Parcel's Off-Site Sewer (the Allure)

The final cost of the Merryman Parcel's Off-Site Sewer project was \$419,627.69. This amount includes engineering and construction costs of \$414,282.14 that were paid directly by the Developer. The Authority was reimbursed for \$5,345.55 in expenses paid for CCTV inspection. The Authority received \$5,490.65 for inspection fees which will be considered Miscellaneous Revenue for FY24. The summary of expenses was reviewed and are on file in the Authority office.

There are no outstanding invoices to the Developer and all items have been received, so staff recommended acceptance into the Authority system.

MOTION: Mr. Richardson made a motion, seconded by Mr. Austin that the Merryman Parcel's Off-Site Sewer project be accepted into the Authority system.

ACTION: Approved Unanimously.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Activities Calendar – Attached and is on file in the Authority office.
2. Next Board Meeting – Tuesday, April 23rd at 5:00 p.m. in the conference room at the Authority office on Timberlake Road.
3. Telework Report – The report on teleworking activities during the previous month was distributed for review and is on file in the Authority office.
4. Planning Meeting – Authority leadership met on March 13th to kick-off the Authority's needs assessment and planning effort. Over the next couple of months, Authority staff will be soliciting input from staff and having discussions about current needs for staffing and technology. Once that process is complete, a plan will be presented for Board consideration.
5. Legislative Update – Bills related to PFAS, Utility Disconnects and Operator Attendance & Reciprocal Licensing are pending review by the Governor before April 8th.

Mr. Wells stated that the PFAS bills have passed the General Assembly and are awaiting Governor's action. One of the PFAS bills requires one-time reporting from manufacturing facilities. The other PFAS bill is reporting on where PFAS is being found in the water supply that DEQ will work to find the source. Both PFAS bills are focused on finding the sources of PFAS to address the issue at the source instead of only relying on the water treatment facilities to remove it. This change is beneficial to the Authority and other treatment facilities.

There is one bill being considered that will allow utilities more flexibility for operator staffing without being out of compliance in cases where employees leave without notice or are injured, etc. This bill is beneficial because it would allow the Authority to handle unexpected employment vacancies.

There is one utility disconnect bill that is now awaiting action by the Governor, but it does not apply to service authorities; however, if the wording is changed slightly, the bill could apply to the Authority as well. This bill states that, following a State of Emergency declared by the Governor of Virginia, utilities cannot be disconnected until 30 days following the state of emergency. This bill provides that electric and gas utilities will not disconnect services when the temperature is below 32 degrees or over 92 degrees. This bill also outlines specific ways that the customer will be notified if a late fee has been assessed or if the service is in danger of disconnection. This bill states that water, wastewater, electric service, or gas cannot be disconnected on Fridays, weekends, State holidays, or the day immediately preceding State holidays; however, the Authority already follows these procedures so this would not impact the Authority. The part of the bill that would negatively affect the Authority specifies that disconnection is not allowed unless an account has been in arrears for at least sixty days and the Authority does not currently meet this requirement. Mr. Wells reiterated that, as proposed, no portion of this bill currently affects the Authority.

E. BOARD ACTION ITEMS

E1. Knollwoods Subdivision

The Knollwoods Subdivision is located on Sunnymeade Road. Authority staff became aware that the current owner of the Knollwoods Subdivision water system plans to abandon a section of the water system along Knollwood Drive by January 2025. The current owner of the system sent out notice to the residents that she plans to disconnect a portion of the water system and that the residents need to find access to another water supply. The water system serves approximately 100 connections, about 250 people. The Knollwoods section consists of approximately 25 homes and the Ivy Acres section consists of approximately 75 single-family homes. Mr. Wells stated that the Knollwoods section of the water system had a leak in December 2023, and the residents were without water for about a week. Right after that leak was resolved, the owner of the water system sent a letter to the residents stating that the operation of the water system was too costly and expressed that she wanted to discontinue operating the water system and the residents would need to find another water source, such as drilling a well. The local health department speculated that some of the lots would not be approved for private wells because of lot size.

Ms. Baldwin, the owner of the Knollwoods and Ivy Acres water system, plans to continue operation of the Ivy Acres portion of the water system because Ivy Acres can be subdivided into sections that will no longer meet the definition of a public water supply and will not be subject to the EPA and VDH regulations of a public water supply. Once divided, the system would only be subject to the VDH private well system regulations. Mr. Wells stated that he believes that Ms. Baldwin wants to drill six or seven wells to supply Ivy Acres with water as a private well system. Mr. Wells stated that VDH is not able to prevent Ms. Baldwin from proceeding with this plan, but the plan is not ideal to VDH.

The Knollwoods Subdivision is similar to the Castle Craig water system where the owner of the Castle Craig water system abandoned the water system. Mr. Wells had a meeting with VDH on March 19th to find out more information. Mr. Wells recommended that, if the

Board decides to take action, the Authority should provide water service to all residents of the Knollwoods and Ivy Acres subdivisions. Mr. Dickerson expressed concern that Ms. Baldwin could later leave the Ivy Acres residents in the same predicament as the Knollwoods residents.

VDH would like the Authority Board to consider applying for a planning grant to evaluate two different options. One option is to run a waterline down Candlers Mountain Road to serve the Knollwoods area. The waterline would be approximately 1.8 miles from Candlers Mountain Road. Mr. Wagner estimated that this option would cost approximately \$3 million and would serve 100 properties if water was extended to both sections. It was unknown as of the meeting date if the residents in the mobile home park own or rent their homes. Mr. Wagner stated that GIS does not have individual lots, but the residents could own the home and not the land.

The second option would be to evaluate the existing system to determine what improvements are needed to bring the existing system up to Authority standards and operate the system as a groundwater system with ownership and operation by the Authority.

Mr. Wells stated that VDH would like the Authority to make application for the Planning Grant and VDH will completely fund the study, including the engineering study for both options so the Authority can determine the best course of action. If the Authority decides to provide water to the residents of the Knollwood and/or Ivy Acres subdivisions the Authority could apply for a similar funding plan that was used for the Castle Craig water system. In the case of Castle Craig, VDH made an offer of half of the funding through principal forgiveness and the other was through a low-interest, long-term loan. There is no commitment to move forward after the study is performed.

Mr. Wells stated that VDH now has access to additional funding called the "Equal Access to Water Fund" that was set up to fund operations and maintenance for situations where waterworks owners have abandoned the water system. If the Authority decides to operate the groundwater system, this funding would reimburse the Authority for operation of the system for up to two years.

Mr. Cline left for the County meeting during discussion of this item.

MOTION: Mr. Elliott made a motion, seconded by Mr. Richardson, that the Authority apply for the Planning Grant with the Virginia Department of Health to begin a study to evaluate the options to provide water to the Knollwood and/or Ivy Acres subdivisions.

ACTION: Approved Unanimously.

E1. Budget and Rate Analysis Presentation

The proposed timeline is:

March 21, 2024	Budget meeting was held with Budget Committee at the Timberlake office in the Board meeting room
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March meeting	<i>Present Budget and Rate Analysis and determine if an increase should be advertised – advertise ASAP if public meeting is required</i>
Mid-April	If decided by the Board – a public hearing will be held – April 16, 2024 was chosen, and the meeting will be held in the Authority office on Timberlake Road.
April meeting	Vote on rate/fee increase if one is proposed. Advertise new rate/fee if approved. Notice will be included in May and June billing, if rate/fee change if approved.
July 1 st	New rates/fees will be in place in time for the new fiscal year (if approved).

The Budget Committee, Mr. Droog, Mr. Richardson, Mr. Wells, and Ms. Meese, met on March 21, 2024. The proposed FY25 Budget was distributed and discussed. The budget summary tabulation as of March 26, 2024 was:

EXPENSES:

<u>DIVISION</u>	<u>BUDGET REQUEST</u>
Personnel	\$ 2,949,594
Administration	696,300
Source of Supply (Water Plant & City Purchases)	1,431,900
Wastewater Treatment (Rust. & Concord WWTPs & City)	754,900
Maintenance/Inspection	893,900
Naruna	37,900
Debt Service	662,910
CIP & Reserves	<u>1,798,150</u>
TOTAL EXPENSES	\$ 9,225,554
 TOTAL REVENUES	 \$ 9,225,725
 PROJECTED SUPRLUS	 \$ 171

The FY25 Budget proposes a cost-of-living increase of 5 percent, which is consistent with the proposed cost of living of two other Authorities in the area, including Amherst County Service Authority (7%) and Bedford Regional Water Authority (5%). Authority staff uses the Consumer Price Index (CPI) to determine the appropriate cost of living increase. There are no new positions in FY25, but a new position is added in FY26 and FY27. There are six Authority employees that have earned a step increase due to time in the position and performance expectations.

Proposed expenses increased for each division in the upcoming year; however, the increases are lower than the increases experienced over the past two fiscal years. The largest increases were in the sewer treatment from the City of Lynchburg and electric line items. There were many line items that decreased for the upcoming year, including the chemical line items for both Source of Supply and Wastewater. Ms. Meese stated that the overall increase in expenses from FY24 is \$333,376, if not for the increases in the charges

from the City of Lynchburg for treatment of sewage, purchase of water, and the Authority's share of the City's capital expenses, the increase in overall expenses would only have been about \$70,000.

A Reserve line item is included in each year to reduce the amount of money that will have to be borrowed in the future for large projects. The amount proposed for the next five years is \$200,000 each year.

After discussion, the Authority Board directed that the Authority advertise sewer increases to work towards sewer customers revenue supporting sewer operational and capital expenses in the near future.

The FY25 Budget, as presented, does not include increases in rates or fees; however, the Rate Analysis shows a need for a rate increase over the next five years, especially for sewer customers. Authority staff would like for sewer revenue to support sewer expenses. The Authority has significant expenses coming up in the next ten years to twenty years and is working towards having rates in place to support the financing that will be required at that time instead of having to drastically increase rates when the upgrades of the water and sewer systems take place. Mr. Wells stated that the Authority upgrades are estimated to be approximately \$42 million for the water system and \$49 million for sewer upgrades including capacity in the Regional Treatment Facility and upgrading the interceptors for sewage flows to the City of Lynchburg over the next ten to twenty years.

Prior to the Budget Committee meeting, the preliminary budget had a deficit of over \$300,000, but Authority staff cut some line items in the operational budget and moved some capital projects to future years. The FY25 Budget does not include as many contingencies that have been included in previous years and some capital projects were postponed to future years.

Staff is proposing rate increases over the next five years for sewer usage fees and base fees and a possible increase for water in alternating years.

Staff recommended that the Board approve advertising the following proposed rate increases.

MOTION: Mr. Richardson made a motion, seconded by Mr. Kirkland, to advertise a proposed change in sewage usage fees and sewer base rate as follows:

- Sewer Rate from \$5.75 per HCF to \$6.45 per HCF
- Flat Sewer Fee from \$71.50/billing cycle to \$79.50/billing cycle
- Sewer Base Fee from \$14 per billing cycle to \$15 per residential unit per billing cycle

The sewer base fee will increase \$1 to residential customer bi-monthly bills with the sewer base fee increasing proportional to meter size according to the following chart:

<u>Service Size</u>	<u>Bi-monthly Charge</u>
4" Sewer Service	\$15.00
6" Sewer Service	\$35.00
8" Sewer Service	\$59.00
10" Sewer Service	\$68.00
12" Sewer Service	\$97.00

Flow rates that exceed the minimum slope capacity of the respective service size shall be charged the next appropriate size and charge. For pumped sewers, the bi-monthly charge shall be based on ERU's. (Example: 3 ERU's = \$45 bi-monthly)

The revised rates are to become effective and be applied to all bills rendered with a billing date of July 1, 2024 or later (if approved).

ACTION: Approved Unanimously.

E2. Recommendations for Increases to Capital Recovery Charges and Connection Fees

During the January Board meeting, the current actual cost of connections for both water and sewer were reviewed. Options for adjustments to the capital recovery fees and sewer capacity fees were discussed. Staff recommendations were reviewed for Board consideration.

Over the past several years, especially the last two years, the Authority has experienced significant increases in the cost of materials and labor expenses to make new service connections and repair and replace existing infrastructure. Authority staff has performed a cost analysis for both water and sewer connections and fees and the results were presented to the Authority Board. Said analysis results are on file in the Authority office. The last time these fees were increased was January 1, 2010.

After discussion, it was determined that the following fees would be advertised for the public hearing to be held on April 16, 2024:

The following fees only apply to new customers

Connection Fee - Water:

3/4" Residential Connection from \$1,500 to \$2,250
1" Residential Connection from \$2,100 to \$3,150

Capital Recovery Fee - Water:

Usage charge per equivalent residential unit (ERU) of usage from \$1,900 to \$2,850

Connection Fee - Sewer:

4" Residential Connection from \$1,900 to \$2,850
1 – 1/4" Residential Connection from \$1,900 to \$2,850

Capital Recovery Fee - Sewer:

Usage charge per equivalent residential unit (ERU) of usage from \$2,200 to \$3,300

Sewer Capacity Fee:

Usage charge per equivalent residential unit (ERU) of usage from \$1,750 to \$2,625

Staff recommended that the Board approve the proposed fee increases as outlined above.

MOTION: Mr. Richardson made a motion, seconded by Mr. Kirkland, to advertise a proposed change to the Capital Recovery Fees, Connection Fees, and Sewer Capacity Fees as listed.

ACTION: Approved Unanimously.

E3. Extension Agreement – Wawa at Wards Road and Lawyers Road

This is an Agreement between the Authority and 29 Lawyers, LLC for water and sanitary sewer extensions to serve a proposed Wawa convenience store and gas station at the intersection of Wards Road and Lawyers Road. The project involves a 2-inch domestic and 1-inch irrigation water service, relocation of an existing fire hydrant, installation of two doghouse manholes on the existing sanitary sewer line, raising the top of an existing manhole, and two 6-inch sanitary sewer laterals (one for the Wawa and the other for an available commercial lot located just north of the proposed Wawa).

The Owner has delivered an acceptable Bond and has made payment of the fees for the Agreement.

MOTION: Mr. Elliott made a motion, seconded by Mr. Richardson, to authorize the Chairman to execute the extension agreement with 29 Lawyers, LLC to extend the Authority water and sanitary sewer systems to serve the proposed Wawa at Wards Road and Lawyers Road.

ACTION: Approved Unanimously.

F. MATTERS FROM THE BOARD

This time is to discuss any matters from the Board members.

F1. Illegal Use of Fire Hydrants

At the February Board meeting, Mr. Droog expressed concern that there is at least one construction crew that has a fire hydrant water meter.

Mr. Wagner met with the Fire Marshall and the Building Official in March 2024 and Mr. Wagner advised the Fire Marshall of the situation so there would be more sets of eyes monitoring the system for unauthorized use. The Fire Marshall received a phone call on March 25, 2024, with a sighting of someone using the fire hydrant near the Briarcliff tank on Leesville Road. The Citizen also took a picture of the vehicle in question showing the license plate. Mr. Wagner sent an e-mail to the Fire Marshall and the Sheriff's Department. Mr. Droog caught the same person near Blue Ridge Commons, and they were using a fire hydrant meter that they had obtained from Roanoke County. Mr. Wagner contacted a representative of Western Virginia Water Authority and verified that they had, in fact, let SJ Cable use two of their fire hydrant meters. Western Virginia Water Authority contacted SJ Cable to advise that the meter was not to be used outside of the Western Virginia Water Authority area.

This is a misdemeanor charge in the Code of Virginia. The Authority has a policy that charges \$1,000 per offense for unauthorized use of a fire hydrant.

Mr. Pribble stated that Bedford County is having the same issues. Bedford County charges a \$3,000 tamper fee.

Mr. Elliott stated that Authority staff should take legal action. Mr. Droog and the Fire Marshall will meet with the Commonwealth's Attorney to determine how to proceed. The Board stated that legal action should be taken, or at the very least, an invoice for two offenses should be transmitted to SJ Cable.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the Authority meeting be adjourned at 6:34 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. Dickerson, seconded by Mr. Kirkland, these minutes are approved this 23rd day of April, 2024, with 7 of 7 members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Special Meeting
April 16, 2024 at 6:00 pm

Place: Campbell County Utilities Board Room
21206 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Mr. Don Austin – Vice-Chairman - called the public hearing to order at 6:00 P.M. with the Pledge of Allegiance and a Prayer. This Special Meeting was called for the purpose of hearing public comment on the proposed increase to Authority water and sewer rates and fees.

A1. MEMBERS PRESENT

Charlie Droog, Chairman
Don Austin, Vice-Chairman
Carter S. Elliott, Jr.
Wilson Dickerson
Joe Kirkland
James Marstin
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Josh Pribble, Operations Superintendent
Wendy Meese, Accounting Manager
April Farmer, Technology Coordinator

A3. OTHERS PRESENT

None

B. PUBLIC HEARING – FY25 PROPOSED RATE AND FEES

Authorization to advertise and hold a public hearing for changes in the Rates, Charges and Customer Information policy was approved by the Authority Board in Regular Session on March 26, 2024. Rates and charges have been established pursuant to §15.2-5136 of the Code of Virginia.

No Authority customers, developers, or other members of the public were in attendance; however, Mr. Wells made his scheduled presentation to the Board to hold the meeting open for at least 15 minutes in case there would be anyone arriving late.

Major changes or additions are summarized as follows:

- Sewer Rate from \$5.75 per HCF to \$6.45 per HCF
- Flat Sewer Fee from \$71.50/billing cycle to \$79.50/billing cycle
- Sewer Base Fee from \$14 per billing cycle to \$15 per residential unit per billing cycle

The sewer base fee will increase \$1 to residential customer bi-monthly bills with the sewer base fee increasing proportional to meter size according to the following chart:

<u>Service Size</u>	<u>Bi-monthly Charge</u>
4" Sewer Service	\$15.00
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8" Sewer Service	\$59.00
10" Sewer Service	\$68.00
12" Sewer Service	\$97.00

Flow rates that exceed the minimum slope capacity of the respective service size shall be charged the next appropriate size and charge. For pumped sewers, the bi-monthly charge shall be based on ERU's. (Example: 3 ERU's = \$45 bi-monthly)

The revised rates are to become effective and be applied to all bills rendered with a billing date of July 1, 2024 or later (if approved).

The following fees only apply to new customers

Connection Fee - Water:

- 3/4" Residential Connection from \$1,500 to \$2,250
- 1" Residential Connection from \$2,100 to \$3,150

Capital Recovery Fee - Water:

Usage charge per equivalent residential unit (ERU) of usage from \$1,900 to \$2,850

Connection Fee - Sewer:

- 4" Residential Connection from \$1,900 to \$2,850
- 1 – 1/4" Residential Connection from \$1,900 to \$2,850

Capital Recovery Fee - Sewer:

Usage charge per equivalent residential unit (ERU) of usage from \$2,200 to \$3,300

Sewer Capacity Fee:

Usage charge per equivalent residential unit (ERU) of usage from \$1,750 to \$2,625

Staff recommended that the Board approve the proposed fee increases as outlined above.

Since there were no further comments, the public hearing was closed at 6:20 pm.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the Authority meeting be adjourned at 6:22 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this _____ day of _____, 2024, with _____ of _____ members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Copies of the preliminary March 2024 reports were reviewed and are on file in the Authority office.

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 7,200,111.20
Expenses:	\$ 4,571,279.64
Budgeted Capital:	\$ 1,719,500.00
Surplus/(Deficit) to date:	\$ 2,628,831.56/ \$909,331.56
Total "Unencumbered"	\$ 5,228,837.54
Bank Balance 3/31/24:	\$ 5,129,324.72
Investment Balance 3/31/24:	\$ 8,209,146.90
Combined Bank Balance 3/31/24:	\$13,338,471.62

Ms. Meese noted that some of the electric service line items will be overspent in FY24, but this was discovered during budget preparations and the electric line items were adjusted for the increase in the FY25 Budget. The Miss Utility line item is a very small line item but is expected to be overspent in FY24 due to the number of locates for the fiber optic cables that are being laid in portions of Campbell County. It is anticipated that the number of locates will decrease once installation of the fiber optic cables is completed.

The Authority's portion of the Regional Sewer capital expenses for FY23 was paid in April 2024. The Authority had budgeted more than was communicated from the City of Lynchburg during the budget process for FY24; however, the actual expenses exceeded budget by 58% or \$44,000, which will result in the Debt Division being overspent in FY24.

The Board was in favor of moving \$2 million from the Unencumbered line item to Reserves to offset the upcoming expenses (approximately \$80 million, total) over the next ten to twenty years. Mr. Kirkland stated that the interest from the ladder investments should also be placed in the Reserve Account and that the amount of interest that the Authority earned on the investments so far should not be counted on in future years since interest rates fluctuate over time.

The Board directed that an additional \$2 million be invested with First Citizens.

VENDORS

No new permanent vendors were added in March 2024:

Final Bills or reimbursements of overpayments (address available upon request):

Glenn D. White

Skycoast, LLC

Since no new permanent vendors were added no motion was required.

D2. OPERATIONS REPORT

Mr. Pribble reviewed the statistical and operation reports for March 2024. Copies of said reports are available in the Authority office.

Treatment at the Otter River Water Plant was up 1.3 percent compared to March 2023. Sales to the Town of Altavista have decreased 0.2 percent from the previous year. Sales to the East System have increased by 5.1 percent. Overall Central System retail sales increased 1.3 percent to date this fiscal year compared to fiscal year 2023. Usage in Naruna decreased 7.4 percent from the previous year. Total CCUSA water reflected an increase of 1.2 percent to date in FY24 compared to FY23.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 1.3 percent compared to last fiscal year. Wastewater sent to the City of Lynchburg for treatment increased 4.7 percent from last fiscal year through March. The overall result was an increase in wastewater treatment for the fiscal year to date of 4.5 percent from last year.

There were 13 new connections serving 21 units for water and 8 new connections serving 14 units for sewer in the month of March 2024 compared to 21 new water connections and 15 new sewer connection serving 23 and 15 units, respectively, in March 2023.

There were 87 disconnections for non-payment of bills in March compared to 62 disconnections for non-payment in March 2023. The year-to-date number of disconnections through March 2024 reflects an increase of 109 disconnections for FY24 compared to FY23.

The Authority had 9,088 metered water connections serving 14,785 units and 3,157 sewer connections serving 5,700 units as of March 31, 2024. In response to a question raised by Mr. Richardson, one reason for the increase in wastewater sent to the Regional Treatment Plant is due to the growth in sewer customers the Authority has experienced over the last year. The number of sewer customers (in units) in March 2023 was 5,303, but that number has increased to 5,700 as of March 31 ,2024.

There were 1,165 travel points during the month of March 2024, which was an average of 58 stops per workday. Mr. Pribble stated that Maintenance staff had a record number of locates in the month of March due to installation of fiber optic cables. In response to a question raised by Mr. Dickerson, the Authority has not experienced as many damages by the subcontractors laying the fiber optic cable; however, there are still some damages due to the contractors exposing the service lines when attempting to install the cable, and accidentally hitting the service line with a shovel or other equipment during the process.

The Otter River was flowing at approximately 148 mgd on the meeting date and the record low for April 23rd was 71 mgd in 2002. The median flow for April 23rd was 215 mgd.

D3. ENGINEERING REPORT

The Construction Activities Report was reviewed and is available at the office for review.

80-2002 English Commons On-Site Water and Sewer

This project is nearing completion. The Contractor is working on the final townhouse building.

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner has received CAD files for this project and is in the process of reviewing the files.

80-2009 Rustburg Middle School Water and Sewer improvements

Record drawings have been received and are under review. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed.

80-2003 Lynchburg Airport Rangoon Road Meter

Record drawings have been approved. There is one minor item that remains before this project can be closed. Mr. Wagner stated he has contacted a representative with the airport and was told he would receive the information "soon".

80-2105 Village Drive Patio Homes

The water and sewer portion of this project is mostly complete; however, there is one more document required before the Authority can reduce the bond held for this project. The Developer has temporarily paused construction because the market has slowed, but the Authority will hold a small bond in case there are any damages to the water and sewer infrastructure, sewage cleanouts, or meter services when construction resumes.

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

Authority staff is finalizing the review of the shop drawings. The Contractor has begun excavating for the wet well. The structures were expected by April 26, 2024 and the wet well and valve vault are expected to be installed by May 3, 2024.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

Construction is complete. Mr. Wagner stated that CCTV testing of the gravity sewer main is underway.

80-2206 Home2Suites Motel

Authority staff is waiting to hear that the project is complete. Mr. Wagner stated that he is not aware of any outstanding issues to be addressed other than information from the testing of the backflow preventors.

80-2205 Liberty University Aviation Maintenance Facility

Authority staff is in the process of reviewing record drawings for this project.

80-2104 Castle Craig Water System Replacement

Construction of this project is complete. It is expected this project will be brought to the Board for approval in the next couple of months.

80-2212 Blue Ridge Commons – Section 2

The Contractor is working on the clubhouse and pool, so once that is complete, this project will be finalized.

80-2208 Merryman Parcels On-Site Water and Sewer (The Allure)

The developer has paused construction on this project because the housing market has slowed. Authority staff will reduce the bond being held on this project.

80-2215 Absolute Storage (Combined with Chick-fil-A)

This project is complete. It is hoped this project will be brought to the Board in the next couple of months for acceptance into the Authority system.

80-2101 Trent's Landing – Section 3

The record drawings are being reviewed. Once the record drawings and AIA forms have been received, Authority staff can begin the process of closing out this project.

80-2309 The Allure – Section 2

The record drawings are being reviewed.

80-2210 Leesville Road Apartments

Construction of the gravity sewer has been completed and the wet tap on the Leesville Road force main has been completed. CCTV inspection and manhole testing needs to be performed.

80-2307 Leesville Road Apartments – Off-Site Water Extension

The Contractor was flushing mains and taking bacteriological samples on April 23, 2024. It expected a second set of samples will be taken on April 24, 2024. Once samples have successfully passed, the waterline will be in service to the master meter.

80-2310 Crescent Grove Subdivision

Authority staff is waiting on results from the second round of CCTV inspection.

80-2405 Brookville High School Water and Sewer improvements

As soon as results are received from the CCTV inspection, this project can be placed in service.

81-2417 Wawa Convenience Store – Wards and Lawyers Roads

In response to a question raised by Mr. Droog, the Contractor is grading. On or around April 24, 2024, the Contractor is expected to add a riser to an existing manhole and then will set a couple of doghouse manholes to tie the service line to the existing sewer main. A second sewer service will be set for the vacant property to the north of the Wawa service. The Contractor and Toney Construction will work together to install the 2-inch service meter, the 1-inch irrigation meter, and will relocate one of the existing fire hydrants to move it further from the turn lane. Mr. Wagner stated this project is not on the construction activities report because it is just a basic service.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Activities Calendar – Attached and is on file in the Authority office.
2. Next Board Meeting – Tuesday, May 28th at 5:00 p.m.
3. Telework Report – No telework activities during the previous month.
4. Knollwoods Subdivision – Mr. Wells stated that he completed the funding application for the planning grant and has forwarded to VDH for comment. VDH requested a meeting on Monday, April 29, 2024, to review the application. VDH will invite Mrs. Baldwin (owner) to attend.

In response to a question raised by Mr. Marstin, the portion of the grant for the Engineering Study will cover expenses up to \$45,000.

5. Otter River WTP Received Gold Award – The Otter River Water Treatment Plant received the Virginia Optimization Programs Gold Award which recognizes

extraordinary operations during 2023. This is the 19th consecutive year that the Otter River WTP has received an award through this program.

In response to a question raised by Mr. Droog, Mr. Wells stated he is unsure if surrounding water treatment facilities receive awards, or what level of awards, for their water treatment efforts. Bedford Regional Water Authority is not eligible for this award because they use membranes in their treatment process. The Board discussed the possibility of advertising the award in the local paper; however, it was decided to only advertise on certain years such as 20 years and 25 years of consecutive awards.

6. Otter River WTP UCMR5 Sampling - Sampling under the EPA required Unregulated Contaminant Monitoring Rule (UCMR5) continues quarterly throughout 2024. The first quarter results show no detectable levels for the measured contaminants.
7. EPA releases Final Rule on PFAS – On April 10, 2024, EPA announced the final National Primary Drinking Water Regulation (NPDWR) for six PFAS compounds. A summary of timelines and action items was distributed for review and is on file in the Authority office. Between 2024 and 2027, utilities will have to perform initial monitoring that will determine future monitoring requirements. The results from the UCMR5 sampling discussed in Item D4.6 can be used to satisfy the Authority's initial testing requirements for this new EPA rule. In 2027 through 2029, compliance monitoring will become a requirement and violations will result in public notification.

In response to a question raised by Mr. Kirkland, laboratory equipment is now able to detect levels of contamination as low as 0.9 ppt.

In response to a question raised by Mr. Dickerson, the testing will cost approximately \$500-\$750 per sample and it will become more expensive if the Authority is in violation of any of the requirements and has to adjust treatment methods.

In response to a question raised by Mr. Richardson, Mr. Wells stated the analogy of a part per trillion of PFAS is the equivalent of one drop of water in an Olympic size swimming pool. Mr. Richardson stated that there are no studies that prove that illness would result from consumption of PFAS. The Authority is being regulated on something that the EPA *thinks* is bad, and the result could be expensive to the Authority and its customers.

MOTION: Mr. Richardson made a motion, seconded by Mr. Kirkland, that the Executive Director and the Chairman of the Board draft a letter to send to the EPA in opposition of the PFAS regulations.

ACTION: Approved Unanimously.

E. BOARD ACTION ITEMS

E1. PROPOSED RATE INCREASE

The proposed rate increase was advertised in the local newspaper and a public meeting was held on April 16, 2024. No questions or comments were received by Authority staff following the advertisement.

There were approximately 3,157 sewer customers as of April 30, 2024. The proposed increase to sewer rates and fees is as follows:

13 units x \$5.75 current rate = \$74.75 + \$14 current base fee = \$88.75 for 2 months
13 units x \$6.45 proposed rate = \$83.85 + \$15 proposed base fee = \$98.85 for 2 months

The proposed increase would result in an estimated increase to bi-monthly sewer bills of \$10.10, or \$5.05 per month, 11.4% total increase.

Staff recommended that the Board approve the proposed rate increases.

MOTION: Mr. Kirkland made a motion, seconded by Mr. Dickerson, to increase the sewer rate and base fees as follows:

Sewer Rate from \$5.75 per HCF to \$6.45 per HCF
Flat Sewer Fee from \$71.50/billing cycle to \$79.50 per billing cycle
Sewer Base Fee from \$14 per billing cycle to \$15 per residential unit per billing cycle

The sewer base fee will increase \$1 to residential customer bi-monthly bills with the sewer base fee increasing proportional to sewer service size according to the following chart:

<u>Service Size</u>	<u>Bi-monthly Charge</u>
4" Sewer Service	\$15.00
6" Sewer Service	\$35.00
8" Sewer Service	\$59.00
10" Sewer Service	\$68.00
12" Sewer Service	\$97.00

Flow rates that exceed the minimum slope capacity of the respective service size shall be charged the next appropriate size and charge. For pumped sewers, the bi-monthly charge shall be based on ERU's. (Example: 3 ERU's = \$45 bi-monthly)

The revised rates are to become effective and be applied to all bills rendered with a billing date of July 1, 2024 or later.

ACTION: Approved Unanimously.

Mr. Wells stated that a buck slip will be created to go in the May and June billing so that customers will be notified of the approved rates prior to the rates being implemented on usage with billing calculated July 1, 2024 or later.

E2. **PROPOSED INCREASE TO CAPITAL RECOVERY AND CONNECTION FEES**

The proposed fee increases were advertised in the local newspaper and a public meeting was held on April 16, 2024. Discussions resulting from the Public Hearing will be discussed.

The following fees only apply to new customers

Connection Fee - Water:

3/4" Residential Connection from \$1,500 to \$2,250

1" Residential Connection from \$2,100 to \$3,150

Capital Recovery Fee - Water:

Usage charge per equivalent residential unit (ERU) of usage from \$1,900 to \$2,850

Connection Fee - Sewer:

4" Residential Connection from \$1,900 to \$2,850

1 – 1/4" Residential Connection from \$1,900 to \$2,850

Capital Recovery Fee - Sewer:

Usage charge per equivalent residential unit (ERU) of usage from \$2,200 to \$3,300

Sewer Capacity Fee:

Usage charge per equivalent residential unit (ERU) of usage from \$1,750 to \$2,625

Staff recommended that the Board approve the proposed fee increases as outlined above.

MOTION: Mr. Marstin made a motion, seconded by Mr. Kirkland, to increase the Sewer Capacity Fee, Capital Recovery Fees, and Connection Fees as proposed.

ACTION: Approved Unanimously.

E4. APPROVAL OF THE ACFR

The FY23 Annual Comprehensive Financial Report (ACFR) was distributed at the March meeting.

Staff recommended that the Board accept the Audit as submitted by Robinson, Farmer, and Cox.

MOTION: Mr. Elliott made a motion, seconded by Mr. Dickerson, that the Board accept the FY23 Annual Comprehensive Financial Report as submitted by Robinson, Farmer, and Cox.

ACTION: Approved Unanimously.

E5. STORAGE BUILDING FOR THE WWTP AND MAINTENANCE

Mr. Wells reviewed the plans for a prefab storage building that is to be constructed at the Rustburg Wastewater Treatment Plant (RWWTP). The RWWTP had a need for a storage building and workshop and money was encumbered for the building; however, during the planning for the renovation of the administrative offices on Timberlake Road, a need for more storage for pumps and other inventory was discussed but no viable option was available for the Timberlake office. The only option to provide storage at the Timberlake office was to construct an extension from the basement that would pose a difficult entrance to said storage and would have eliminated necessary parking areas. This option was estimated to cost \$135,000.

It was decided that the previously planned storage building for the RWWTP would be increased to include enough capacity to house inventory for Maintenance, such as pumps and larger equipment that is used in the field.

Authority staff issued a request for bids for a 42-foot by 42-foot pre-engineered building, and the following quotes were received:

	Base Bid	Add Alternate	Total
Owen Building and Remodeling	\$ 168,284	\$967	\$169,251
Coleman Adams	\$ 266,854	\$0	\$266,854

Bids for the storage building at the RWWTP were opened on April 19, 2024 at 2 pm. Owen Building and Remodeling is the lowest bidder with total project bid of \$169,251. This project will provide a 42-foot by 42-foot pre-engineered metal storage building with three roll-up doors and a personnel door constructed on a 5-inch thick concrete pad. The alternate that was quoted by Owen Building and Remodeling to increase the thickness of the concrete pad to 6-inches.

In response to a question raised by Mr. Marstin, the quote also includes all electrical work for lights and an exhaust system in the building. This building will be very similar to a

building recently constructed at Campbell County Public Works. Authority staff used the County's specs and modified those specs to meet Authority needs.

In response to a question raised by Mr. Droog, Coleman Adams quoted a Butler Building, and Owen Building quoted a Heritage building. Authority staff researched Heritage buildings and feel it meets the needs of the Authority. In response to a question raised by Mr. Elliott, the Heritage Building will meet snow load requirements. In response to a question raised by Mr. Elliott, there is \$198,000 remaining in the funds encumbered for the storage building. The project cost also includes paving to allow room to back a truck with a trailer attached into the storage building. Mr. Clif Tweedy stated that Mr. Owen has worked with the County on several projects and Mr. Tweedy highly recommended Mr. Owen and Owen Building and Remodeling.

Staff recommended that the Board award the project to Owen Building and Remodeling.

MOTION: Mr. Marstin made a motion, seconded by Mr. Dickerson, that the Storage Building Project be awarded to Owen Building and Remodeling.

ACTION: Approved Unanimously.

F. MATTERS FROM THE BOARD

This time is to discuss any matters from the Board members.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the Authority meeting be adjourned at 5:41 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. Richardson, seconded by Mr. Dickerson, these minutes are approved this 28th day of May, 2024, with 7 of 7 members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
May 28, 2024 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Charlie Droog – Chairman - called the meeting to order at 5:00 P.M. with the Pledge of Allegiance and a Prayer

A1. MEMBERS PRESENT

Charlie Droog, Chairman
Don Austin, Vice-Chairman
Wilson Dickerson
Carter S. Elliott, Jr.
Joe Kirkland
James Marstin
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Josh Pribble, Operations Superintendent
Wendy Meese, Accounting Manager
April Farmer, Technology Coordinator
Vanessa Brown, Office Manager

Paul Dowdy, Campbell County Board of Supervisors

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Richardson made a motion, seconded by Mr. Dickerson, that the Minutes of the April 23, 2024 Board Meeting be approved.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Copies of the preliminary April 2024 reports were reviewed and are on file in the Authority office.

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 7,821,725.67
Expenses:	\$ 5,209,732.10
Budgeted Capital:	\$ 1,719,500.00
Surplus/(Deficit) to date:	\$ 2,611,993.27/ \$892,493.57
Total "Unencumbered"	\$ 2,851,854.16
Bank Balance 4/30/24:	\$ 2,670,393.37
Investment Balance 4/30/24:	\$ 10,237,706.11
Combined Bank Balance 4/30/24:	\$12,908,099.48

VENDORS

New permanent vendors added in April 2024:

Exele Information Systems	East Rochester, NY
Microbac Laboratories, Inc.	Pittsburgh, PA
FPG	Noblesville, IN

Final Bills or reimbursements of overpayments (address available upon request):

Jose R. Cordero Herrera	Mike S. Mann
Thomas Ulip	Dorothy C. Crews
Janina Madigan	

MOTION: Mr. Austin made a motion, seconded by Mr. Dickerson, that the new vendor list for April 2024 be approved.

ACTION: Approved Unanimously.

D2. OPERATIONS REPORT

Mr. Pribble reviewed the statistical and operation reports for April 2024. Copies of said reports are available in the Authority office.

Treatment at the Otter River Water Plant was up 1.2 percent compared to April 2023. Sales to the Town of Altavista have increased 5.0 percent from the previous year. Sales to the East System have increased by 5.7 percent. Overall Central System retail sales increased 1.2 percent to date this fiscal year compared to fiscal year 2023. Usage in Naruna decreased 10.2 percent from the previous year. Mr. Pribble stated that Naruna is using

less water now because of a machinery upgrade that Georgia Pacific implemented in fall of 2023. Total CCUSA water reflected an increase of 1.0 percent to date in FY24 compared to FY23.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 3.2 percent compared to last fiscal year. Wastewater sent to the City of Lynchburg for treatment increased 0.7 percent from last fiscal year through April. The overall result was an increase in wastewater treatment for the fiscal year to date of 0.8 percent from last year.

There were 4 new connections serving 4 units for water and no new sewer connections in the month of April 2024 compared to 13 new water connections and 9 new sewer connection serving 24 and 20 units, respectively, in April 2023.

There were 95 disconnections for non-payment of bills in April compared to 53 disconnections for non-payment in April 2023. The year-to-date number of disconnections through April 2024 reflects an increase of 151 disconnections for FY24 compared to FY23.

The Authority had 9,092 metered water connections serving 14,789 units and 3,157 sewer connections serving 5,700 units as of April 30, 2024.

There were 962 travel points during the month of April 2024, which was an average of 48 stops per workday.

The Otter River was flowing at approximately 126 mgd on the meeting date and the record low for May 28th was 40 mgd in 2002. The median flow for May 28th was 162 mgd.

D3. ENGINEERING REPORT

The Construction Activities Report was reviewed and is available at the office for review.

80-2002 English Commons On-Site Water and Sewer

This project is nearing completion. The Contractor is working on the final townhouse building. No change from previous meeting.

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner has received CAD files for this project and is in the process of reviewing the files. No change from previous meeting.

80-2009 Rustburg Middle School Water and Sewer improvements

Record drawings have been received and are under review. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed. *No change from previous meeting.*

80-2003 Lynchburg Airport Rangoon Road Meter

Record drawings have been approved. There is one minor item that remains before this project can be closed. Mr. Wagner stated he has contacted a representative with the airport and was told he would receive the information “soon”. *No change from previous meeting.*

80-2105 Village Drive Patio Homes

The water and sewer portion of this project is mostly complete; however, there is one more document required before the Authority can reduce the bond held for this project. The Developer has temporarily paused construction because the market has slowed, but the Authority will hold a small bond in case there are any damages to the water and sewer infrastructure, sewage cleanouts, or meter services when construction resumes. *No change from previous meeting.*

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

Authority staff is finalizing the review of the shop drawings. The Contractor has begun excavating for the wet well. The structures were expected by April 26, 2024 and the wet well and valve vault are in place and the Contractor is installing the force main pipe for these two structures. The Contractor’s goal is to complete the project by Thanksgiving 2024.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

Construction is complete. Mr. Wagner stated that the sewer needs to be cleaned and CCTV testing of the gravity sewer main will be performed again. There was some silt and rock in the mains for the first test, so CCTV testing will need to be performed a second time.

80-2206 Home2Suites Motel

Initial backflow reports have been received for the reduced pressure zone assemblies. Authority staff will request the remaining close out information from the Developer.

80-2205 Liberty University Aviation Maintenance Facility

Authority staff is in the process of reviewing record drawings for this project. *No change from previous meeting.*

80-2104 Castle Craig Water System Replacement

Construction of this project is complete. It is expected this project will be brought to the Board for approval in the next couple of months. *No change from previous meeting.*

80-2212 Blue Ridge Commons – Section 2

The Contractor is working on the clubhouse and pool, so once that is complete, this project will be finalized. *No change from previous meeting.*

80-2208 Merryman Parcels On-Site Water and Sewer (The Allure)

The developer has paused construction on this project because the housing market has slowed. Authority staff will reduce the bond being held on this project. *No change from previous meeting.*

80-2215 Absolute Storage (Combined with Chick-fil-A)

This project is complete. It is hoped this project will be brought to the Board in the next couple of months for acceptance into the Authority system. *No change from previous meeting.*

80-2101 Trent's Landing – Section 3

The record drawings are being reviewed. Once the record drawings and AIA forms have been received, Authority staff can begin the process of closing out this project. *No change from previous meeting.*

80-2309 The Allure – Section 2

The record drawings are being reviewed. *No change from previous meeting.*

80-2210 Leesville Road Apartments

Construction of the gravity sewer has been completed and the wet tap on the Leesville Road force main has been completed. Mr. Greg Meese is working with the Contractor to schedule the CCTV inspection and manhole testing. The Developer has communicated that the private wastewater pump station will be started on June 3, 2024. Since the pump station is private, Authority staff does not plan to be present for start-up.

80-2307 Leesville Road Apartments – Off-Site Water Extension

Construction is basically complete, and all the tie-ins have been made. Mr. Wagner stated a punch-list inspection will be performed in June 2024, so it is hoped this project will be presented for close-out and accepted into the Authority system in the next few months.

There are now three brand-new loops in the Authority water system in the Leesville Road area.

80-2310 Crescent Grove Subdivision

Authority staff is waiting on results from the second round of CCTV inspection. *No change from previous meeting.*

80-2405 Brookville High School Water and Sewer improvements

As soon as results are received from the CCTV inspection, this project can be placed in service. *No change from previous meeting.*

80-2406 Centra Rehabilitation Hospital and Behavioral Health Hospital

This is a new project. Mr. Wagner stated that an agreement has been drafted and will be presented to the Board in Item E2.

80-2304 Martin Drive Regional Wastewater System

Mr. Wagner stated that an agreement has been drafted and will be presented to the Board in Item E3.

D4. DIRECTORS REPORT

1. Activities Calendar – Attached and is on file in the Authority office.
2. Next Board Meeting – Tuesday, Jun 25th at 5:00 p.m.
3. Telework Report – Attached is the report on teleworking activities during the previous month.
4. Knollwoods Subdivision – Mr. Wells met with VDH on April 29th to review the application for the Planning Grant what will be used to fund an engineering study for the evaluation of alternatives to supply water to the Knollwoods water system once the current owner/operator abandons the water system. VDH is satisfied with the information provided by the Authority and will follow up with the owner on information needed from her to process the application. The application is considered a joint application, so information is required of the Authority and the current owner. In

response to a question raised by Mr. Richardson, the Authority needs to secure financing before moving forward with the engineering study of the Knollwoods system. Authority staff has not received any inquiries from customers since the previous meeting. Mr. Cline stated that he has received some inquiries from customers in the Knollwood area and was able to calm some of the urgency created by the media. Mr. Wells stated the initial date for the current owner to abandon the system was January 2025, but she may delay that date slightly if she knows the Authority is working on a solution.

5. Draft Letter to EPA – As directed at the last Board meeting, a draft letter to EPA expressing Authority concerns over the recently promulgated PFAS regulation was distributed for review and comments and is on file in the Authority office. The Board approved the letter, and the letter will be forwarded to the EPA as written.

For review: the Authority is required to test each quarter for PFAS contamination and must report a violation for levels detected above 4 ppt. Between 2024 and 2027, utilities will have to perform initial monitoring that will determine future monitoring requirements. In 2027 through 2029, compliance monitoring will become a requirement and violations will result in public notification.

6. Mandatory Sewer Connection and Installment Loan Policies – With the Martin Drive project getting underway, Authority staff is reviewing the Authority mandatory sewer connection policy and installment loans policy that will assist homeowners in complying with the Code of VA, the Code of Campbell County, and Authority policy. The mandatory sewer connection policy was originally adopted in 1986 and was last updated in 2010. Mr. Elliott stated that the Campbell County Board of Supervisors had to approve the Mandatory Sewer Connection Policy before the Authority was able to adopt the policy. The Mandatory Sewer Connection Policy has not been needed since the Russell Woods Low Pressure Sewer System and the Sunburst Low Pressure Force Main were constructed in 2011. Mr. Elliott stressed that extending sewer infrastructure is expensive and that the Authority needs the Mandatory Sewer Connection Policy if extending sewer lines is a priority for the County. Mr. Wagner stated that, before the Mandatory Sewer Connection Policy was approved in 1986, the only sanitary sewer in Campbell County was in the Village of Rustburg. Construction of sewer infrastructure is expensive, and the Authority would not have been able to extend sewer to portions of the County without the revenue provided by the Mandatory Sewer Connection Policy. Mr. Wagner stated that, if you want commercial development, you have to have public water and public sewer available. The fees to pay for sewer connection are cheaper than repairing or replacing a sewage drain field. It was noted that drain fields have a life span of less than 60 years and will eventually have to be replaced. There are many subdivisions in the County that were constructed in the 60's and 70's and have aging and failing drain fields.

There are 36 property owners for 43 parcels (some property owners in the area own multiple properties) that will be affected when the line is constructed to the Martin Drive pump station. Of the 36 property owners, Hurt & Proffitt has contacted 30 of them and has had discussions with 19 of the property owners to discuss the costs that will be involved once the sewer line is constructed. There was one couple that expressed concern over the fees involved, but no negative communication has been received.

In response to a question raised by Mr. Austin, the pump station will be constructed at the intersection of Martin Drive and Chestnut Creek Drive, between Martin Drive and Core & Main. Yes Oaks at Timberlake, LLC has agreed to sell the Authority the real estate needed for the pump station. An Attorney and a lending institution need to sign

off on the purchase agreement. Mr. Wagner discussed the route of the sewer system, which is on file in the Authority office.

In response to a question raised by Mr. Paul Dowdy, services will be placed at each property even if the property owner does not plan to make connection initially. Installing the services during construction increases the cost of the project but saves the Authority expense in the future when the property owner makes application for service.

In response to a question raised by Mr. Droog, there have been at least two property owners that have contacted the Authority in the affected area that have failing sewage drain fields. Mr. Wagner stated that there are likely more properties that have sewage issues, but the property owners are either unaware of the issues or are ignoring the issues. Mr. Wagner stated that he and the representative from Hurt & Proffitt visited the affected area to determine the best location of the sewer line. Mr. Wagner stated they had to be careful where they stepped because they were walking through a failing drain field. The lots in the Farfields subdivision would not have been approved under current standards nor constructed by current standards because some lots are unsuitable for a drain field, but the standards that were in effect in the 70's and 80's when the subdivision was constructed allowed it. There are failing drain fields on Homewood Drive that will be addressed by the Martin Drive Pump Station.

Locust Gardens Mobile Home Park (MHP) has issued a letter of support for the Authority to include with the Grant application because Locust Gardens MHP has 21 failing drain fields. The owner of the MHP will pay the application fees for all the lots in the MHP.

In response to a question raised by Mr. Austin, the Martin Drive Pump Station will address properties along Timberlake Road, the Route 460 bypass, and all the way up to and under Waterlick Road. Martin Drive Pump Station will provide sewage support to a large area that has marginal soils.

Mr. Wagner stated that construction of the Martin Drive Pump Station may result in additional 50/50 projects and the Mandatory Sewer Connection Policy will apply to these areas as well. Mr. Wagner stated he has already been contacted about extending the service area by a prospective buyer of the property around Moore's Country Store on Waterlick Road. In response to a question raised by the Board, Moore's Country Store has a private low pressure sewage system and will not be affected by the Mandatory Sewer Connection Policy.

The installment loan policy was last updated in 2002. The Installment Loan Policy is meant to work with the Mandatory Sewer Connection Policy to ease the burden for property owners that need to pay application fees for sewer connection.

The Installment Loan Policy states 8 percent interest will be charged. The Board directed that the policy be updated to use the prime rate plus two percent interest on the date a loan is issued.

In response to a question raised by Mr. Marstin, the application fees that will be in effect when the sewer line is constructed are the new rates that will go into effect July 1, 2024. When the sewer line passes a property and the building is within 400 feet of the sewer line, the Mandatory Sewer Connection Policy will be enforced. In response to a question raised by Mr. Richardson, the fees do not apply to vacant properties. The fees will become due when or if a building is constructed on the vacant property.

In response to a question raised by Mr. Marstin, there are three options: a property owner can make application and pay the fees and then make connection to the Authority system resulting in application fees of \$8,825 and a bi-monthly bill; a property owner can make application and pay the fees of \$6,150 and become a non-user with a bi-monthly non-user fee until connection is made, at which time the Account Establishment Fee and Sewer Capacity Fee will be charged; or a property owner can do nothing and a lien will be placed against the property in the amount of the non-user application fees. In response to a question raised by Mr. Marstin, a lien against the property may affect the property owner's credit score.

Mr. Wagner stated that, because the Authority was able to secure ARPA funding and because there is a contribution from a Developer, the Authority is not assessing an Aid-to-Construction fee in addition to the normal application fees.

Mr. Wells stated that Authority staff has reached out to Southeast Rural Community Assistance project, Inc. (SERCAP) for funding assistance availability and there is a potential for grant funding and low-interest loans for property owners that have drain fields that are failing. This information will be communicated to the homeowners.

In response to a concern raised by Mr. Elliott, Mr. Wells stated he would research if a public hearing is necessary for the listed policy changes. Mr. Elliott stated that he believes the Authority should find a way to notify its customers of the policy changes even if a public hearing is not required.

In response to a question raised by Mr. Richardson, the section stating that a loan will not be allowed when a property owner does not "donate" an easement needs to be revised. Mr. Elliott stated that the Code of Virginia does not allow easements to be donated.

In response to a question raised by Mr. Richardson, availability of public sewer will increase a property's resell value. In response to a question raised by Mr. Marstin, Mr. Wagner contacted the Commissioner of the Revenue and was told that availability of sewer service will not affect the real estate property assessment. Mr. Elliott expressed concern that the increase in property value will indeed impact the property value and therefore the taxes assessed. Mr. Cline stated that the Commissioner of the Revenue office will not increase the value of the property, but the company that evaluates the property most likely will take availability of sewer service into consideration when valuing the property for taxes to be assessed.

Mr. Wagner stated that part of this project includes decommissioning one of the oldest pump stations in the Authority system outside of the Village of Rustburg. The Whitestone Village pump station was built in 1987.

Mr. Wells stated he will bring edits to the policies back for consideration at the June Board meeting.

E. BOARD ACTION ITEMS

E1. FY25 BUDGET

The Budget was distributed at the March 2024 Board meeting; however, some rates and fees were adjusted at the April 2024 Board meeting. The FY25 Budget was revised to reflect the changes that will go into effect July 1, 2024. The resulting summary is as follows:

<u>Expenses by Division</u>	<u>BUDGET REQUEST</u>
Personnel	\$ 2,949,594
Administration	696,300
Source of Supply (Water Plant & City Purchases)	1,431,900
Wastewater Treatment (Rust. & Concord WWTPs & City)	754,900
Maintenance/Inspection	893,900
Naruna	37,900
Debt Service	662,910
CIP & Reserves	<u>2,058,150</u>
TOTAL EXPENSES	\$ 9,485,554
 TOTAL REVENUES	 \$ 9,490,475
 PROJECTED SUPRLUS	 \$ 4,921

Staff requested the Board approve the following motion:

MOTION: Mr. Kirkland made a motion, seconded by Mr. Elliott, that the Board approve the FY25 Budget.

ACTION: Approved Unanimously.

E2. Extension Agreement – Centra Rehabilitation Hospital and Lifepoint Behavioral Health

This is an Agreement between the Authority and J. E. Dunn Construction Company for water and sanitary sewer extensions to serve a proposed rehabilitation hospital and a proposed behavioral health hospital at the intersection of Simon's Run and Compson Way. The project involves approximately 254 linear feet of 8-inch, 4-inch, and 1-inch waterlines to supply fire protection, domestic water supply, and irrigation water supply to the two hospitals. The project also involves approximately 628 linear feet of 8-inch gravity sewer along Simon's Run and in the access entrance between the two hospitals. Total demand for both hospitals is forecast to be 15,000 gallons per day, which is equivalent to 66 ERU.

The surety for the Agreement is acceptable and the Owner will make payment of CCUSA fees for the Rehabilitation Hospital first, followed by payment of the fees for the Behavioral Health Hospital.

MOTION: Mr. Elliott made a motion, seconded by Mr. Dickerson, to authorize the Chairman to execute the extension agreement with J. E. Dunn Construction Company to extend the Authority water and sanitary sewer systems to serve the proposed rehabilitation hospital and proposed behavioral health hospital at the intersection of Simon's Run and Compson Way

ACTION: Approved Unanimously.

E3. Extension Agreement – Camden Village, LLC

This is an Agreement between the Authority and Camden Village, LLC for the Martin Drive Regional Wastewater System, which is comprised of the following:

- Martin Drive Regional Wastewater Pump Station (WWPS), designed to pump approximately 675 gpm at ultimate flow. The location of the WWPS will be at the intersection of Martin Drive and Chestnut Creek Drive.
- 10-inch gravity sewer (approx. 1,690 ± L.F.) and 10-inch force main (approx. 1,690 ± L.F.) from the Martin Drive Regional WWPS to Farfields Drive.
- 8-inch gravity sewer (approx. 4,120 ± L.F.) from Farfields Drive to the existing Whitestone Village WWPS, 8-inch gravity sewer to Locust Garden MHP East (approx. 3,430 ± L.F.), and 8-inch gravity sewer to Locust Garden MHP West (approx. 1,090 ± L.F.).
- 8-inch gravity sewer (approx. 4,120 ± L.F.) from Farfields Drive to the existing private WWPS and 10-inch force main (approx. 4,120 ± L.F.) from Farfields Drive to the existing 12-inch x 12-inch tee in the existing force main.

Costs for the shared infrastructure is:

- Martin Drive WWPS – 74% Developer / 26% Authority.
- 10-inch force main to Leesville Road FM – 80% Developer / 20% Authority.
- Stream Crossing (Concrete Encasement) – 80% Developer / 20% Authority.
- 10-inch gravity sewer MD WWPS to Farfields Drive – 48% Developer / 52% Authority.

Costs for the 8-inch gravity sewer through the Developer property from Farfields Drive to the existing private WWPS is 100% Developer.

Costs for the 8-inch gravity sewers from Farfields Drive to Whitestone Village WWPS and to Locust Garden MHP are 100% Authority.

CCUSA is utilizing an ARPA grant in the amount of \$1,255,000 matched by CCUSA funds of \$1,255,000 for its portions of the project.

The Developer will post surety upon the earlier of: (1) Notice of Award for the Martin Drive Wastewater Pump Station; (2) Notice of Award of the parallel gravity sewer and force main from the wastewater pump station to Farfields Drive; or (3) the start of construction of the parallel gravity sewer and force main to be installed by the Developer's contractors.

In response to a question raised by Mr. Richardson, the surety will be called, and the project will be completed if the Developer pulls out for any reason. The amount of the surety will

be the amount of the project if the Developer was completing the project on his own plus 25 percent. The amount of the surety will not include betterment costs that are being paid by the Authority to provide for future needs. The amount of the surety will be \$2.875 million and will be in place prior to any construction taking place.

Mr. Wagner stated that the agreement has been reviewed by the Authority's Attorney as well as the Developer's Attorney.

MOTION: Mr. Richardson made a motion, seconded by Mr. Kirkland, to authorize the Chairman to execute the extension agreement with Camden Village, LLC to extend the Authority sanitary sewer system to serve the Martin Drive Regional Wastewater System.

ACTION: Approved Unanimously.

E4. Herbicide Application

Contractor	Bid
Schmitt's Lawn Care, Inc.	\$4,135

Request for Bids was advertised on May 10, 2024. Only one bid was received and was opened on May 24, 2024.

In response to a question raised by Mr. Marstin, this quote is approximately \$900 more than the last quote received by the Authority for this service; however, Mr. Pribble noted that two sites had been added since the previous quote.

Staff recommended that the Board award the contract to Schmitt's Lawn Care, Inc.

MOTION: Mr. Dickerson made a motion, seconded by Mr. Marstin, that the Herbicide Application contract be awarded to Schmitt's Lawn Care, Inc.

ACTION: Approved Unanimously.

E5. Dumpster Services

Contractor	Monthly	Price Per ton	Markup	Annual
WasteCo	\$2,472	\$195	20%	\$4,812
GFL	\$1,920	\$225	10%	\$4,620

Request for Bids was advertised on May 10, 2024. Two bids were received and opened on May 24, 2024.

Staff recommended that the Board award the contract to GFL.

MOTION: Mr. Elliott made a motion, seconded by Mr. Austin, that the Dumpster Services contract be awarded to GFL.

ACTION: Approved Unanimously.

F. MATTERS FROM THE BOARD

This time is to discuss any matters from the Board members.

No items were discussed.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the Authority meeting be adjourned at 6:37 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. Richardson, seconded by Mr. Dickerson, these minutes are approved this 25th day of June, 2024, with 7 of 7 members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
June 25, 2024 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Charlie Droog – Chairman - called the meeting to order at 5:03 P.M. with the Pledge of Allegiance and a Prayer

A1. MEMBERS PRESENT

Charlie Droog, Chairman
Don Austin, Vice-Chairman
Wilson Dickerson
Carter S. Elliott, Jr.
Joe Kirkland
James Marstin
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Josh Pribble, Operations Superintendent
Wendy Meese, Accounting Manager
April Farmer, Technology Coordinator

Paul Dowdy, Board of Supervisors

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Richardson made a motion, seconded by Mr. Dickerson, that the Minutes of the May 28, 2024 Board Meeting be approved with minor corrections.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Copies of the preliminary May 2024 reports were reviewed and are on file in the Authority office.

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 8,468,160.81
Expenses:	\$ 5,812,579.76
Budgeted Capital:	\$ 1,719,500.00
Surplus/(Deficit) to date:	\$ 2,655,581.05/ \$936,081.05
Total "Unencumbered"	\$ 3,064,772.59
Bank Balance 5/31/24:	\$ 2,576,854.21
Investment Balance 5/31/24:	\$ 10,284,767.37
Combined Bank Balance 5/31/24:	\$12,861,621.58

VENDORS

New permanent vendors added in May 2024:

Sullivan Plumbing	Amherst, VA
Rummel, Klepper & Kahl, LLP	Baltimore, MD

Final Bills or reimbursements of overpayments (address available upon request):

Marcus Z. Lau	Son H. Lee
Freddy T. Ling	

MOTION: Mr. Elliott made a motion, seconded by Mr. Richardson, that the new vendor list for May 2024 be approved.

ACTION: Approved Unanimously.

D2. OPERATIONS REPORT

Mr. Pribble reviewed the statistical and operation reports for May 2024. Copies of said reports are available in the Authority office.

Treatment at the Otter River Water Plant was up 0.6 percent compared to May 2023. Sales to the Town of Altavista have increased 5.0 percent from the previous year. Sales to the East System have increased by 5.0 percent. Overall Central System retail sales increased 0.5 percent to date this fiscal year compared to fiscal year 2023. Usage in Naruna decreased 8.9 percent from the previous year. Mr. Pribble stated that Naruna is using less

water now because of a machinery upgrade that Georgia Pacific implemented in November 2023. Total CCUSA water reflected an increase of 0.3 percent to date in FY24 compared to FY23.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 3.1 percent compared to last fiscal year. Wastewater sent to the City of Lynchburg for treatment increased 5.4 percent from last fiscal year through May. The overall result was an increase in wastewater treatment for the fiscal year to date of 5.3 percent from last year.

There were 4 new connections serving 4 units for water and no new sewer connections in the month of May 2024 compared to 13 new water connections and 9 new sewer connection serving 14 and 10 units, respectively, in May 2023.

There were 79 disconnections for non-payment of bills in May compared to 70 disconnections for non-payment in May 2023. The year-to-date number of disconnections through May 2024 reflects an increase of 160 disconnections for FY24 compared to FY23.

The Authority had 9,096 metered water connections serving 14,793 units and 3,157 sewer connections serving 5,700 units as of May 31, 2024.

There were 962 travel points during the month of May 2024, which was an average of 48 stops per workday.

The Otter River was flowing at approximately 41 mgd on the meeting date and the record low for June 25th was 7 mgd in 2002. The median flow for June 25th was 110 mgd. Mr. Pribble stated that the Otter River was flowing at 226 mgd on June 18th, following a rainstorm, but one week later the river is flowing at 41 mgd. In response to a question raised by Mr. Elliott, Mr. Pribble stated that it will take a few weeks of hot weather and no rain for the river to reach 2002 levels.

Mr. Droog asked if the Authority was still seeing long lead times on materials and if there was any trouble getting chemicals, as was experienced during the pandemic. Mr. Pribble stated that there is still a long lead time on obtaining brass inventory items, but that orders for chemicals and other inventory items are being shipped in a timely manner. There were some manual-read meters installed in the Authority system when it was not possible to obtain radio-read meters during the pandemic, but Mr. Pribble stated that Mr. Ellis Tyree, the Maintenance Foreman, has placed the radio read endpoint on at least 100 of these meters. Authority staff is expecting 1,000 radio-read meters that were ordered several months ago to be delivered by the end of June 2024.

D3. ENGINEERING REPORT

The Construction Activities Report was reviewed and is on file in the Authority office.

80-2002 English Commons On-Site Water and Sewer

This project is nearing completion. The Contractor is working on the final townhouse building. *No change from previous meeting.*

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner has received CAD files for this project and is in the process of reviewing the files. *No change from previous meeting.*

80-2009 Rustburg Middle School Water and Sewer improvements

Record drawings have been received and are under review. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed. *No change from previous meeting.*

80-2003 Lynchburg Airport Rangoon Road Meter

Record drawings have been approved. There is one minor item that remains before this project can be closed. Mr. Wagner stated he has contacted a representative with the airport and was told he would receive the information "soon." *No change from previous meeting.*

80-2105 Village Drive Patio Homes

The water and sewer portion of this project is mostly complete; however, there is one more document required before the Authority can reduce the bond held for this project. The Developer has temporarily paused construction because the market has slowed, but the Authority will hold a small bond in case there are any damages to the water and sewer infrastructure, sewage cleanouts, or meter services when construction resumes. *No change from previous meeting.*

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

Anderson Construction is progressing well. The Contractor is currently working on making piping connections and on the electrical portion of the project.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

Construction is complete. The Contractor flushed on June 24, 2024 to remove any dirt, silt, and rocks that might have gotten into the line when the line was being installed. This project should be ready prior to the pump station being ready to receive wastewater.

80-2206 Home2Suites Motel

Staff is working to finalize this project for acceptance into the Authority system.

80-2205 Liberty University Aviation Maintenance Facility

There is an outstanding invoice for this project, but once that invoice is paid, this project can be brought to the Board for acceptance into the Authority system.

80-2104 Castle Craig Water System Replacement

Staff is working to finalize this project for acceptance into the Authority system.

80-2212 Blue Ridge Commons – Section 2

The Contractor is working on the clubhouse and pool, so once that is complete and the meter has been installed, this project will be finalized.

80-2208 Merryman Parcels On-Site Water and Sewer (The Allure)

The developer has paused construction on this project because the housing market has slowed. Authority staff will reduce the bond being held on this project. *No change from previous meeting.*

80-2215 Absolute Storage (Combined with Chick-fil-A)

Staff is working to finalize this project for acceptance into the Authority system.

80-2101 Trent's Landing – Section 3

The record drawings are being reviewed. Once the record drawings and AIA forms have been received, Authority staff can begin the process of closing out this project. *No change from previous meeting.*

80-2309 The Allure – Section 2

The record drawings are being reviewed. *No change from previous meeting.*

80-2210 Leesville Road Apartments

Construction is complete and Authority staff is working to create a punch list. The only part of this project that involves the Authority is the gravity line that runs beside the apartments. There is a private pump station onsite that will be decommissioned once the Martin Drive pump station is in service.

80-2307 Leesville Road Apartments – Off-Site Water Extension

The Bond for this project was reduced because the Contractor has completed the project with the exception of some punch list items. The waterline extension has been placed in service and is working well.

80-2310 Crescent Grove Subdivision

The Contractor is progressing with installation of sanitary sewer and the waterline extension.

80-2405 Brookville High School Water and Sewer improvements

The sanitary sewer is complete and the wet tap for the fire service was completed on June 25, 2024.

80-2406 Centra Rehabilitation Hospital and Behavioral Health Hospital

A preconstruction meeting was held on June 17, 2024. The General Contractor has stated that construction on the Rehabilitation Hospital will begin in mid-July 2024. Once construction of the Rehabilitation Hospital is underway, the Contractor will begin construction of the Behavioral Health Hospital.

It is expected that the fees for these two hospitals will be received in the first few months of fiscal year 2024-25.

80-2304 Martin Drive Regional Wastewater System

Mr. Wagner stated that he will swap designs with the Developer and the Developer's consultants on July 1, 2024. Mr. Wagner stated that both his and the Developer's designs will be approximately 90 percent complete, and the designs will be exchanged so that each will review the other's work. Following this review, easement acquisition will begin from the pump station to the Farfields subdivision. It is hoped those easements will be recorded by the end of July 2024.

Mr. Wagner has gotten word from Yes Oaks at Timberlake, LLC that they will execute the purchase agreement for the real estate needed for the pump station once they know who will handle the closing. Mr. Wagner stated that the Authority's legal counsel, Woods Rogers Vandeventer Black, PLC, will be used for the closing. Mr. Wagner stated that the property to be purchased will be large enough for the pump station to be constructed as well as a possible site for a future storage building similar to the 3-bay storage facility that is currently being constructed at the Wastewater Treatment Plant.

D4. DIRECTORS REPORT

The Director's Report was distributed and is on file in the Authority office.

1. Activities Calendar – Reviewed and is on file in the Authority office.
2. Next Board Meeting – Tuesday, July 23rd at 5:00 p.m.
3. Telework Report – Reviewed and is on file in the Authority office.
4. Knollwoods Subdivision – Mr. Wells contacted VDH on June 10, 2024 to follow up on the status of the application. VDH met with the owner on June 13, 2024 to request documentation needed so that VDH can process the application. Also, Mr. Wells received confirmation from VDH that no additional information is needed from CCUSA at this time. VDH reported that the meeting with the owner went well, and she will be providing the financial information needed to Mr. Wells so that the application can be finalized for the Authority to provide water to the property owners at the Knollwoods Subdivision. The owner is only interested in proceeding if she can get out of the water business completely without expense on her part, meaning she is not interested in a master meter, which is the Authority's standard practice for this type of development. Mr. Wells stated that the possibility of placing a master meter can be addressed later. The current focus is to complete the Engineering study of the best approach to provide water to the residents of the Knollwoods Subdivision, whether the Authority should extend a waterline to the subdivision or if the Authority should upgrade the current system to meet Authority standards.

The current owner has verbally agreed that she is willing to grant the Authority easements to run waterlines on her property. The owner also indicated a willingness to transfer any water assets and property to the Authority if it is determined that the best solution is for the Authority to own and operate the groundwater system.

In response to a question raised by Mr. Dickerson, in situations like this where an owner wants to walk away from a water system, VDH will try to find a suitable entity to take it over. The process is for VDH to reach out to representatives of Campbell County and the Authority to request assistance in providing water service to the residents of the soon to be abandoned water system. VDH would provide financial assistance as an incentive. Mr. Wells stated that VDH does not have the ability to stop the current owner from abandoning the current water system and that there will be little repercussion for abandoning the water system.

In response to a question raised by Mr. Kirkland, Authority staff is uncertain how many other private water systems are in Campbell County that could be abandoned, like the Knollwoods and Castle Craig water systems. Public water systems must be registered so that number could be easily researched, but private water systems are not always registered. Mr. Wells stated that he is not aware of any other systems the Authority should be prepared to assist. Mr. Marstin stated there is a private water system located near the Regional Landfill. Mr. Richardson stated there is a private water system that serves approximately seven mobile homes in Campbell County. Mr. Elliott stated that the Authority has a moral obligation to provide water to residents of Campbell County and that obligation is stated in the Authority's charter.

Mr. Wagner stated that the Authority was fortunate that when the owner of the Castle Craig water system was abandoned, obtaining the water system provided a loop in the Authority system; however, the Knollwoods water system is not located near existing Authority infrastructure. The Authority was fortunate that VDH recommended the

Authority for the ARPA Grant to provide a portion of the funds necessary to fund construction of the Castle Craig waterline because it would have been cost-prohibitive for the Authority to construct the waterline. In response to a question raised by Mr. Marstin, VDH will provide financial assistance for the Knollwood Water System. Mr. Wagner stated that the assistance program that is currently available through VDH has reporting requirements that could require considerable time from Authority staff and/or the Authority's Engineering Consultant.

E. BOARD ACTION ITEMS

E1. ELECTION OF OFFICERS

Chairman Droog announced that in accord with the Authority Bylaws, officers for 2024-2025 are to be elected at this meeting. Nominations for the offices of Chairman, Vice Chairman, and Secretary and/or Treasurer will be accepted. The present incumbents are Charlie Droog, Chairman; Don Austin, Vice Chairman; April Farmer, Treasurer; Wendy Meese, Secretary.

Mr. Droog turned the meeting over to the Executive Director for the purpose of electing a Chairman.

Mr. Wells called for nominations for office of Chairman.

Mr. Elliott nominated Mr. Austin to serve as Chairman for a 1-year term beginning July 1, 2024.

MOTION: Mr. Elliott made a motion, seconded by Mr. Droog that the nominations for Chairman be closed, and that Mr. Austin be elected to serve as Chairman for a 1-year term beginning July 1, 2024.

ACTION: Approved Unanimously.

Mr. Droog reassumed the chair and called for nominations for the office of Vice Chairman.

Mr. Elliott nominated Mr. Marstin to serve as Vice-Chairman for a 1-year term beginning July 1, 2024.

MOTION: Mr. Elliott made a motion, seconded by Mr. Dickerson that the nominations for Vice-Chairman be closed, and that Mr. Marstin be elected to serve as Vice-Chairman for a 1-year term beginning July 1, 2024.

ACTION: Approved Unanimously.
Mr. Droog called for nominations for the office of Treasurer.

Mr. Elliott nominated Ms. Farmer to serve as Treasurer for a 1-year term beginning July 1, 2024.

MOTION: Mr. Elliott made a motion, seconded by Mr. Dickerson that the nominations for Treasurer be closed, and that Ms. Farmer be elected to serve as Treasurer for a 1-year term beginning July 1, 2024.

ACTION: Approved Unanimously.

Mr. Droog called for nominations for the office of Secretary.

Mr. Elliott nominated Ms. Meese to serve as Secretary for a 1-year term beginning July 1, 2024.

MOTION: Mr. Elliott made a motion, seconded by Mr. Dickerson that the nominations for Secretary be closed, and that Ms. Meese be elected to serve as Secretary for a 1-year term beginning July 1, 2024.

ACTION: Approved Unanimously.

Mr. Elliott complimented Mr. Droog for a job well done as Chairman. Mr. Droog stated that he appreciated the support and advice of his fellow Board members as well as Authority staff that made his job easier as Chairman.

E2. CASH ACCOUNT SIGNATURE CARD

New cash account forms (Account Signature Card, Corporate Resolution, and/or a Declaration Concerning Deposit Accounts, Borrowing, and Other Relationships) will be required if the Board Chairman and Vice-Chairman change.

MOTION: Mr. Elliott made a motion, seconded by Mr. Richardson, to give the Board Chairman, the Authority Executive Director, the Utilities Engineer, the Office Manager, and the Treasurer authority to act on behalf of the Authority with First Citizens Bank.

ACTION: Approved Unanimously.

E3. US CELLULAR Oakdale Water Tank Lease (Fourth Amendment to existing lease)

US Cellular has requested to amend their existing lease on the Oakdale Water Tank for the purpose of removing 12 existing antennas and replacing them with 10 new antennas and equipment and reserving 2 existing spaces for future antennas. CCUSA staff is agreeable to the Fourth Amendment to Lease Agreement which does not modify the existing compensation terms.

In response to a question raised by Mr. Marstin, Mr. Cline stated that the merger that involves US Cellular will not be finalized for 12 months.

In response to a question raised by Mr. Dickerson, a structural analysis was performed to ensure the tank could withstand the weight of the antennas. This analysis is performed each time the contract is renewed.

Staff recommended that the Board authorize the Executive Director to Execute the Fourth Amendment to Lease Agreement for Space on the Oakdale Water Tank, as submitted.

MOTION: Mr. Richardson made a motion, seconded by Mr. Elliott, that the Board authorize the Executive Director to Execute the Fourth Amendment to the US Cellular Lease Agreement for the Oakdale water Tank, as submitted.

ACTION: Approved Unanimously.

E4. MANDATORY SEWER CONNECTIONS and INSTALLMENT LOAN POLICIES

As discussed at the May meeting, minor edits were made to the Authorities mandatory sewer connection and installment loans policies. A draft copy of the changes for each policy was distributed for review and is on file in the Authority office.

The main change to the Mandatory Sewer Connection Policy was to remove the provision that Sewer Capacity Fees could not be included in a lien if fees are not paid. Once the property owner makes application for service, the Sewer Capacity Fee will be due. This change will meet legal requirements.

In response to a question raised by Mr. Richardson, the statement in Section 4 that states "functioning private septic systems or domestic sewage systems" will be changed to "functioning sewage system" to remove the reference to a domestic system.

The changes to the Installment Loan Policy were: to add the Sewer Capacity Fee to the fees that are allowed to be financed; to remove the wording that the Authority would not allow a loan when a fee is paid for an easement and replace that wording with a statement that the amount paid for said easement would be fair and reasonable; for the interest on loans to be changed from 8 percent to U.S. prime plus 2 percent; to increase the penalty for late payments from 5 percent to 10 percent to be consistent with the penalties charged with customer billing; some minor grammatical changes. In response to a question raised by Mr. Paul Dowdy, the interest rate will be determined when the loan application is finalized and will be fixed for the term of the loan.

In response to a question raised by Mr. Richardson, the example provided in the Installment Policy will be removed.

MOTION: Mr. Richardson made a motion, seconded by Mr. Marstin, that revised Mandatory Sewer Connection Policy and Installment Loan Policy be adopted with changes as discussed.

ACTION: Approved Unanimously.

E5. PAYROLL SERVICES

As part of the internal review of processes and staffing analysis, Authority staff has been exploring options for software applications that would save staff time and provide redundancies in job duties. One area that does not currently have redundancy is timekeeping & payroll which has historically been performed in-house by the Accounting Manager. There is currently no viable back-up if Ms. Meese were to be out for an extended period. Also, as part of gathering feedback from Authority staff, employees have indicated a desire to have online access to check stubs, leave time balances, and W2 information. Staff has also researched timekeeping options independently which has not resulted in an acceptable and cost-effective option.

Staff has been researching different service providers for payroll and timekeeping and ADP has emerged as a front runner to provide these services with very favorable terms for the Authority. Campbell County has been using ADP for several years. In response to a question raised by Mr. Dickerson, Mr. Clif Tweedy stated that the County has used ADP for approximately 15 years and has not had any serious issues with ADP and Mr. Tweedy recommended working with ADP.

A proposal for services was distributed for review and is on file in the Authority office. This service was not included in the FY25 Budget, but staff would like to proceed with implementing this service as a single source provider. The FY25 Budget included \$3,000 for the replacement of the timeclock at the Timberlake office and these funds can be used towards the anticipated expense of approximately \$5,600 for ADP. Not only will this solution remedy the issues with the timeclock at the Timberlake office, ADP will provide a timekeeping solution for all three of the Authority's locations. If Authority staff decides ADP is not a good fit, the relationship can be ended with 90-day notice on either party. In response to a question raised by Mr. Marstin because ADP works with Campbell County and knows specific needs for the Authority and because ADP is the only provider that offered the option of a 90-day agreement. Mr. Marstin noted that the justification needs to be documented for procurement requirements.

MOTION: Mr. Austin made a motion, seconded by Mr. Kirkland, to authorize the Executive Director to enter a contract with ADP.

ACTION: Approved Unanimously.

F. MATTERS FROM THE BOARD

No matters were discussed

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the Authority meeting be adjourned at 6:10 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this ____ day of _____, 2024, with ____ of ____ members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Special Meeting
July 29, 2024 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Don Austin – Chairman - called the meeting to order at 5:00 P.M. with the Pledge of Allegiance and a Prayer.

A1. MEMBERS PRESENT

Don Austin, Chairman
James Marstin, Vice-Chairman
Wilson Dickerson
Charlie Droog
Carter S. Elliott. Jr.
Joe Kirkland
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Wendy Meese, Accounting Manager
April Farmer, Technology Coordinator

Clif Tweedy, P.E., Deputy County Administrator (absent – vacation)
Josh Pribble, Operations Superintendent (absent – vacation)

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Richardson made a motion, seconded by Mr. Droog, that the Minutes of the June 25, 2024 Board Meeting be approved.

ACTION: Approved Unanimously.

MOTION: Mr. Droog made a motion, seconded by Mr. Dickerson, that the Minutes of the April 16, 2024 Public Hearing be approved.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Copies of the June 2024 reports were reviewed and are on file in the Authority office. These reports will be updated and re-distributed following the FY24 annual audit in September 2024. Ms. Meese noted that there will be expenses accrued to FY24 over the next few months, so the numbers presented are preliminary.

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 9,334,114.32
Expenses:	\$ 6,339,295.26
Budgeted Capital:	\$ 1,719,500.00
Surplus/(Deficit) to date:	\$ 2,994,818.06/ \$1,275,319.06
Total "Unencumbered"	\$ 3,178,195.76
Bank Balance 6/30/24:	\$ 3,207,463.59
Investment Balance 6/30/24:	\$ 10,324,194.67
Combined Bank Balance 6/30/24:	\$13,531,658.26

VENDORS

No new permanent vendors were added in June 2024:

Final Bills or reimbursements of overpayments (address available upon request):

Douglas F. Dillinger	Lacks Auto Service
Akshay Nayar	Alex Eubank

Melvin T. Morgan Roofing – Temporary vendor

No motion was required since no permanent vendors were presented.

The Agreement between the Authority and Campbell County for Leesville Road revenue was discussed. Authority staff will research whether payments to the County will continue after the County pays the last Bond payment in October 2024.

D2. OPERATIONS REPORT

Mr. Wells reviewed the statistical and operation reports for June 2024. Copies of said reports are available in the Authority office.

Treatment at the Otter River Water Plant was up 1.1 percent compared to June 2023. Sales to the Town of Altavista have decreased 2.0 percent from the previous year. Sales to the East System have decreased by 4.1 percent. Overall Central System retail sales

increased 1.1 percent to date this fiscal year compared to fiscal year 2023. Usage in Naruna decreased 7.6 percent from the previous year. Total CCUSA water reflected an increase of 0.9 percent to date in FY24 compared to FY23.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 1.6 percent compared to last fiscal year. Wastewater sent to the City of Lynchburg for treatment increased 6.2 percent from last fiscal year through June. The overall result was an increase in wastewater treatment for the fiscal year to date of 5.9 percent from last year.

There were 71 new connections serving 96 units for water and 59 new connections serving 84 units for water in the month of June 2024 compared to 3 new water connections and no new sewer connection serving 3 and 0 units, respectively, in June 2023. Most of these connections were in Augusta Springs Subdivision and Crescent Grove Subdivision. In response to a question raised by Mr. Richardson, August Springs is located near Yellow Branch Elementary School, behind the Technical Center. This development will include a mixture of townhomes, patio homes, single-family residential, and some commercial connections.

There were 50 disconnections for non-payment of bills in June compared to 61 disconnections for non-payment in June 2023. Cut-offs were delayed one week in the month of June due to the Juneteenth holiday that fell on the Wednesday that cut-offs are normally scheduled. The year-to-date number of disconnections through June 2024 reflects an increase of 149 disconnections for FY24 compared to FY23.

The Authority had 9,167 metered water connections serving 14,889 units and 3,216 sewer connections serving 5,784 units as of June 30, 2024.

There were 881 travel points during the month of June 2024, which was an average of 44 stops per workday.

The Otter River was flowing at approximately 34 mgd on the meeting date and the record low for July 29th was 7 mgd in 1966.

In response to a question raised by Mr. Austin, a Contractor that was placing a sign for the Timberlake Motel augered through the Authority's 12-inch asbestos cement (AC) waterline, resulting in many of the Authority's customers being without water for a few hours. Said water leak also resulted in Authority customers being required to boil their water for approximately 24 hours. Mr. Wells noted that the waterline was difficult to locate since it is asbestos cement, and Authority staff had mismarked the location of the line. The Authority maintenance department and Toney Construction were onsite and were able to isolate the leak within one hour.

A commercial customer approached Mr. Jason Carwile from the Campbell County Board of Supervisors about being reimbursed for the loss of revenue that resulted from the significant drop in water pressure during this period, and Mr. Wells stated that he is unaware of any utility that reimburses loss of revenue. In response to a question raised by Mr. Austin, the Virginia Department of Health assisted in getting the word out about the loss of service and the boil water notice; however, there was some miscommunication and the VDH inspectors contacted some businesses and residents that were outside of the Authority service area, which resulted in some businesses closing that were not affected by the leak.

D3. ENGINEERING REPORT

The Construction Activities Report was reviewed and is on file in the Authority office.

80-2002 English Commons On-Site Water and Sewer

This project is nearing completion. As soon as the Contractor completes one more punch list item, this project will be ready to be capitalized.

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner has received CAD files for this project that does not include the infrastructure installed for this project. In response to a question raised by Mr. Dickerson, Authority staff will contact one of its Engineers to develop record drawings. This will be at the Authority's expense which is estimated to be \$3,000. In response to a question raised by Mr. Marstin, the Authority has the right to install infrastructure in the VDOT right-of-way; however, if VDOT asks the Authority to move infrastructure, the Authority is obliged to do so.

The Board directed that Authority staff contact Hurt & Proffitt to develop record drawings.

80-2009 Rustburg Middle School Water and Sewer improvements

Record drawings have been received and are under review. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed. *No change from previous meeting.*

80-2003 Lynchburg Airport Rangoon Road Meter

Record drawings have been approved. There is one minor item that remains before this project can be closed. Mr. Wagner stated he has contacted a representative with the airport and was told he would receive the information "soon." *No change from previous meeting.*

80-2105 Village Drive Patio Homes

Authority staff has received all necessary documents required and has reduced the bond held for this project. The Developer has temporarily paused construction because the market has slowed, but the Authority will hold a small bond in case there are any damages to the water and sewer infrastructure, sewage cleanouts, or meter services when construction resumes.

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

The Contractor is currently working on making piping connections and on the electrical portion of the project.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

Construction is complete. The Contractor is working on close-out items.

80-2206 Home2Suites Motel

Staff is working to finalize this project for acceptance into the Authority system.

80-2205 Liberty University Aviation Maintenance Facility

Staff is working to finalize this project for acceptance into the Authority system.

80-2104 Castle Craig Water System Replacement

Staff is working to finalize this project for acceptance into the Authority system.

80-2212 Blue Ridge Commons – Section 2

Staff is working to finalize this project for acceptance into the Authority system.

80-2208 Merryman Parcels On-Site Water and Sewer (The Allure)

The developer has paused construction on this project because the housing market has slowed. Authority staff will reduce the bond being held on this project. *No change from previous meeting.*

80-2215 Absolute Storage (Combined with Chick-fil-A)

Staff is working to finalize this project for acceptance into the Authority system.

80-2101 Trent's Landing – Section 3

The record drawings are being reviewed. Once the record drawings and AIA forms have been received, Authority staff can begin the process of closing out this project. *No change from previous meeting.*

80-2309 The Allure – Section 2

The record drawings are being reviewed. *No change from previous meeting.*

80-2210 Leesville Road Apartments

Construction is complete and Authority staff is working to create a punch list. The only part of this project that involves the Authority is the gravity line that runs beside the apartments. There is a private pump station onsite that will be decommissioned once the Martin Drive pump station is in service. *No change from previous meeting.*

80-2307 Leesville Road Apartments – Off-Site Water Extension

The Bond for this project was reduced because the Contractor has completed the project except for some punch list items. Authority staff is waiting on record drawings. The waterline extension has been placed in service and is working well.

80-2310 Crescent Grove Subdivision

The Contractor is progressing with installation of sanitary sewer and the waterline extension.

80-2405 Brookville High School Water and Sewer improvements

The sanitary sewer is complete and the wet tap for the fire service was completed on June 25, 2024. The Contractor still needs to install the RPZ and to test. Mr. Marstin stated that there is a leak the Contractor is currently trying to locate.

80-2406 Centra Rehabilitation Hospital and Behavioral Health Hospital

The General Contractor has stated that construction on the Rehabilitation Hospital will begin in mid-July 2024; however, Mr. Wagner stated he has not gotten an official notice that construction has begun. Once construction of the Rehabilitation Hospital is underway, the Contractor will begin construction of the Behavioral Health Hospital.

80-2304 Martin Drive Regional Wastewater System

Mr. Wagner stated that he will swap designs with the Developer and the Developer's consultants on July 1, 2024. Mr. Wagner stated that both his and the Developer's designs will be approximately 90 percent complete, and the designs will be exchanged so that each will review the other's work. Following this review, easement acquisition will begin from the pump station to the Farfields subdivision. It is hoped those easements will be recorded by the end of July 2024.

In response to a question raised by Mr. Dickerson, Mr. Wagner has gotten word from Yes Oaks at Timberlake, LLC (Yes Oaks) on July 29, 2024 that they have changed their mind about selling the Authority the real estate needed for the pump station. Mr. Wagner stated that Yes Oaks calculated the fees to connect the mobile home park to the Authority system and no longer wants to make connection to the Authority sewage system. Mr. Wagner stated he is evaluating how much property is needed to construct the pump station and will make an offer based on the reduced property required. If Yes Oaks will not sell the property, the Authority may need to condemn the property through eminent domain because there is no other site that the Authority can use for the pump station that is above the 100-year flood elevation. According to the DEQ Sewage Collection and Treatment Regulations, the gen-set and all electrical switchgear have to be above 100-year flood zone.

In response to a question raised by Mr. Richardson, the mobile home park owned by Yes Oaks has on-site drain fields. Yes Oaks claims there have not been sewage issues within the mobile home park; however, there are records in the customer files that note numerous problems with the onsite systems in the past. The mobile home park is master-metered. The mobile home park is currently using approximately 50 gallons of water per day per mobile home. Waiving the mandatory connection fees for Yes Oaks would set a precedent that the Authority cannot afford. The appraised value of the land the Authority would like to purchase is \$63,000. The fees to connect the mobile home park to the Authority system will be close to \$1 million, assuming that all the mobile homes would be connected; however, there are many mobile homes that are not within the 400-foot requirement to be connected and the mobile homes outside of 400-feet would not be required to be connected.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Authority staff update – Mr. Wells announced that Mr. Tommy Baldwin will be retiring as Construction Inspector and his last day will be August 31, 2024. Mr. Baldwin has been with the Authority for 19 years.
2. Activities Calendar – Reviewed and is on file in the Authority office.
3. Next Board Meeting – Tuesday, August 27th at 5:00 p.m.
4. Telework Report – The report on teleworking activities during the previous month was reviewed and is on file in the Authority office.
5. Knollwoods Subdivision – Mr. Wells met with VDH on July 12, 2024 to review the draft application and information sent in by the owner of Knollwoods water system. Minor edits were made to the application and all information was submitted to VDH the week

of July 22, 2024 VDH has acknowledged receipt of the application and are in the review process. Mr. Wells stated that he hopes Authority staff will have an update on the status of the grant for the engineering portion of the project.

Mr. Droog stated that the mobile home park located across from the Knollwoods Subdivision has expressed interest in making connection to the Authority system in the next five years if the Authority extends a waterline to serve Knollwoods. Mr. Droog stated that the connection would be made sooner if the mobile home park had not recently upgraded its existing water system. There are currently 50 homes in the mobile home park. Mr. Wells stated that the waterline will be extended down Candler's Mountain Road, and connections along the way will be needed to make extending the waterline an economically feasible project.

6. Appomattox County Inquiry – Mr. Wells received a letter from Ms. Susan Adams, Appomattox County Administrator, inquiring as to the Authority's ability to provide up to 300,000 gpd through the current contract period and up to 350,000 gpd by the end of 2036. Mr. Wells has discussed this request with Frank Rogers. Appomattox currently uses approximately 200,000 gpd. The current Water Purchase Contract provides for up to 750,000 gpd; however, it states that if additional infrastructure is required to deliver water in excess of 250,000 gpd then it would be at Appomattox County's expense. Wiley|Wilson has modeled both scenarios using the updated hydraulic model. The hydraulic model shows that the Authority could provide 300,000 gpd including current usage from existing Authority customers; however, exceeding 300,000 gpd would result in excess friction losses and tank levels dropping. Therefore, any usage above 300,000 gpd would require a new booster pump station located west of Rustburg that is estimated to cost \$1.3 million.

The current contract between the Authority and the Town of Appomattox is in effect until 2030; however, a written letter has been forwarded to the Town of Appomattox that the Authority does not intend to extend or renew the current contract past 2030. Mr. Wells stated that, during their meeting, Ms. Susan Adams assumed that the Authority would not simply turn off the water to the Town of Appomattox on the day the contract expired. Mr. Wells informed Ms. Adams that disconnecting the water is, in fact, the County's intent and that the letter was sent well in advance of the expiration date to allow the Town of Appomattox to obtain another source for water supply. In response to a question raised by Mr. Richardson, the Town of Appomattox did not respond to the letter when it was sent on March 25, 2020. In response to a question raised by Mr. Kirkland, the Authority can choose to provide water past 2030, but there is no negotiated rate, which means the Town of Appomattox will become a retail customer and the Authority will charge what rate is applicable at that time. Authority staff has been considering an out-of-County rate that may be higher than the in-County rate. Mr. Kirkland stated that the contract should be discussed at the joint meeting scheduled for September 2024 and that the Board should consider initiating an out-of-County rate. The Board expressed concern that an out-of-County rate could have unintended consequences for other Authority customers, but it was noted that rates could be negotiated if it was considered mutually beneficial for the customer and for the Authority. Mr. Marstin stated that the Authority could develop a tiered rate.

In response to a question raised by Mr. Elliott, Mr. Wells stated the Authority is obliged to respond to the letter from Ms. Adams and to grant usage not to exceed 300,000 mgd. The letter will state that any amount above that 300,000 will require construction of a booster pump station at the Town's expense.

It was decided to hold off on sending the letter until Mr. Wells could discuss this matter further with County staff.

7. Office Water Damage – On July 13, 2024 during the Office roof replacement project, an isolated but intense thunderstorm resulted in water damage throughout the administration office. Servpro was onsite from July 15th thru July 22nd, drying out the building and removing damaged materials. The Office was closed from 11 am Monday, July 15th through Wednesday, July 17th. An insurance claim was filed with Virginia Risk Sharing Association, the Authority's insurance provider, and Authority staff is working through the process of assessing and quantifying damages.
8. Joint Meeting with Board of Supervisors –The Authority Board and the Campbell County Board of Supervisors will have a joint meeting on Tuesday, September 17, 2024 at 6 pm. Potential topics to be discussed include mandatory sewer connection policy, joint utility projects between the Authority and the County, and how to respond to the request from the Town of Appomattox discussed in Item D4.6.
9. Board Workshop – Mr. Wells stated it would be beneficial for the Board members and staff to have a special meeting prior to the joint meeting with the Board of Supervisors. Some of the topics for discussion include the results of our staffing analysis, replacing our billing & financial software, updating the wastewater master plan to evaluate other options for treatment and discuss the agenda for the joint meeting with the County. The workshop was planned for 1:00 p.m. on August 27, 2024, with lunch to be provided prior to the meeting at noon. The Board meeting will be held directly following the Board Workshop, around 5 p.m. Mr. Kirkland stated he will not be available on August 27, 2024.

E. BOARD ACTION ITEMS

CLOSED SESSION

MOTION: Mr. Richardson made a motion, seconded by Mr. Kirkland, that the Board convene in a Closed Meeting at 6:02 P. M. to discuss possible legal issues. The closed session was held in accord with §2.2-3711.A. (7) of the Code of Virginia.

Upon returning to open session at 6:13 P. M., the following certification was adopted:

MOTION: Mr. Elliott made a motion, seconded by Mr. Marstin, that the following certification be approved:

CERTIFICATION OF CLOSED MEETING

WHEREAS, the Campbell County Utilities and Service Authority has convened a closed meeting on July 29, 2024, pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, §2.2-3712 of the Code of Virginia requires a certification by this Authority Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Campbell County Utilities and Service Authority hereby certifies, to the best of each member's knowledge, (i) only

public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Campbell County Utilities and Service Authority.

VOTE:

AYES: Austin, Marstin, Dickerson, Droog, Kirkland, Marstin, Richardson

NAYS: None

ABSENT DURING VOTE: None

ABSENT DURING MEETING: None

No action was taken following the closed session.

F. **BOARD ACTION ITEMS**

None

G. **MATTERS FROM THE BOARD**

This time is to discuss any matters from the Board members.

H. **ADJOURNMENT**

MOTION: Mr. Elliott made a motion, seconded by Mr. Droog, that the Authority meeting be adjourned at 6:22 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this _____ day of _____, 2024, with _____ of _____ members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Board Workshop
August 27, 2024 at 1:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Mr. Don Austin – Chairman - called the workshop to order at 1:00 P.M. This Workshop was held for discussion on the topics outlined below. No action was taken during the workshop.

A1. MEMBERS PRESENT

Don Austin, Chairman
James Marstin, Vice-Chairman
Wilson Dickerson
Charlie Droog
Carter S. Elliott, Jr.
Dan Richardson

Joe Kirkland

(absent – vacation)

A2. COUNTY REPRESENTATION & STAFF PRESENT

Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Wendy Meese, Accounting Manager
April Farmer, Technology Coordinator
Vanessa Brown, Office Manager

Matt Cline, Supervisors' Liaison

(absent – arrived at 5 pm for regular meeting)

Josh Pribble, Operations Superintendent

(left at 4:15 pm– family illness)

B. TOPICS DISCUSSED

Results of Staffing Assessment

Agenda for Joint Board Meeting with the Campbell County Board of Supervisors

Replacement of Billing and Financial Software

Update on Wastewater Master Plan

C. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Droog, that the Authority workshop be adjourned at 4:45 p.m.

ACTION: Approved 6-0, with Mr. Kirkland absent.

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this _____ day of _____, 2024, with _____ of _____ members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
August 27, 2024 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

-
- A. CALL TO ORDER – Don Austin – Chairman - called the meeting to order at 5:00 P.M. with the Pledge of Allegiance and a Prayer.

A1. MEMBERS PRESENT

Don Austin, Chairman
James Marstin, Vice-Chairman
Wilson Dickerson
Charlie Droog
Carter S. Elliott. Jr.
Dan Richardson

Joe Kirkland (absent – vacation)

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Wendy Meese, Accounting Manager
April Farmer, Technology Coordinator
Vanessa Brown, Office Manager

Josh Pribble, Operations Superintendent (absent – family illness)

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Droog made a motion, seconded by Mr. Dickerson, that the Minutes of the July 29, 2024 Board Meeting be approved.

ACTION: Approved 6-0, with Mr. Kirkland absent.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Copies of the preliminary July 2024 reports were reviewed and are on file in the Authority office.

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 1,016,134.08
Expenses:	\$ 365,008.78
Budgeted Capital:	\$ 1,798,150.00
Surplus/(Deficit) to date:	\$ 651,125.30/ (\$1,147,024.70)
Total "Unencumbered"	\$ 1,239,242.59
Bank Balance 7/31/24:	\$ 3,721,675.93
Investment Balance 7/31/24:	\$ 10,379,947.00
Combined Bank Balance 7/31/24:	\$14,101,622.93

Ms. Meese noted that most of the invoices paid in July are for the month of June and are accrued to FY24. Ms. Meese noted that Capital Recovery Fees for the Centra Behavioral Hospital and Centra Rehabilitation Hospital were received in July 2024, which put revenues for the year ahead; however, without application for these two facilities, the Authority would still have 10 percent of the budget for Capital Recovery Fees for the first month of the fiscal year. The Authority is also ahead on revenue for Reconnection Fees. The Authority received \$162,312.50 in Sewer Capacity Fees in the month of July, \$115,500 of which was paid for the two Centra facilities.

Fire hydrant fees that were collected in FY24 were transferred to Capital on June 30, 2024. Throughout the year, Authority staff places \$1 for each account billed each month into the Fire Protection Fee category, and at the end of the year, the amount collected in this account is transferred, less any fire hydrant maintenance expenses, to Capital to help fund the Fire Hydrant Maintenance Program.

Funds were encumbered for FY25 capital projects in July and the FY25 budgeted amount for future reserves was transferred from the unencumbered line item. Mr. Wagner stated that the \$1.2 million remaining in the Unencumbered line item would likely only fund one project. All other funds held by the Authority are encumbered for specific uses.

Mr. Wagner stated the Authority has two projects in next 10 to 20 years that will require an outlay of approximately \$40 million. The Authority has reserved \$6.2 million in funds towards these projects to date (includes Reserves, Investment Interest and Sewer Capacity Fees).

The annual audit is scheduled for the week of September 3, 2024.

VENDORS

No new permanent vendors were added in July 2024:

Final Bills or reimbursements of overpayments (address available upon request):

William r. Richardson	Neal Brothers Construction
Ralph r. Gaebe, Jr.	Jennifer Foster
Karen Wagner	Janina Madigan
Melissa L. Kramer	Timothy Moroz
Brennagh O. Carie-Johnson	

For information only, no motion was required.

D2. OPERATIONS REPORT

Mr. Wells reviewed the statistical and operation reports for July 2024. Copies of said reports are available in the Authority office.

Treatment at the Otter River Water Plant was up 0.2 percent compared to July 2023. Sales to the Town of Altavista have decreased 26.6 percent from the previous year. Sales to the East System have decreased by 12.4 percent. Overall Central System retail sales increased 1.5 percent to date this fiscal year compared to July 2023. Usage in Naruna decreased 1.1 percent from the previous year. Total CCUSA water reflected an increase of 1.4 percent to date in FY25 compared to FY24.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) decreased 24.8 percent compared to last July. Wastewater sent to the City of Lynchburg for treatment decreased 2.1 percent when compared to last July. The overall result was a decrease in wastewater treatment of 3.1 percent for the first month of the new fiscal year.

There were 12 new connections serving 76 units for both water and sewer in the month of July 2024 compared to 5 new water connections and 1 new sewer connection serving 112 and 108 units, respectively, in July 2023. 66 of the 76 of the units served were for two new Centra Health facilities (33 units each).

There were 82 disconnections for non-payment of bills in July compared to 71 in July 2023.

The Authority had 9,179 metered water connections serving 14,965 units and 3,228 sewer connections serving 5,860 units as of July 31, 2024.

There were 976 travel points during the month of July 2024, which was an average of 49 stops per workday.

D3. ENGINEERING REPORT

The Construction Activities Report was reviewed and is on file in the Authority office.

80-2002 English Commons On-Site Water and Sewer

This project is nearing completion. As soon as the Contractor completes one more punch list item, this project will be ready to be capitalized. *No change from previous meeting.*

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner stated that he will contact Hurt & Proffitt to develop record drawings so that this project can be finalized.

80-2009 Rustburg Middle School Water and Sewer improvements

Record drawings have been received and are under review. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed. *No change from previous meeting.*

80-2003 Lynchburg Airport Rangoon Road Meter

All information has been received and Authority staff is working to close this project.

80-2105 Village Drive Patio Homes

Authority staff has received all necessary documents required and has reduced the bond held for this project. The Developer has temporarily paused construction because the market has slowed, but the Authority will hold a small bond in case there are any damages to the water and sewer infrastructure, sewage cleanouts, or meter services when construction resumes. *No change from previous meeting.*

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

The Contractor is currently installing the electrical portion of the project. Mr. Wagner stated that he received communication from Virginia Dominion Power that power is being run to the pump station. It is estimated the pump station will be online by the beginning of December 2024, as long as the genset and the ATS are received.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

Authority staff is waiting on the final pay request from Counts & Dobyns and record drawings. Once these two items are received, Authority staff will begin working on closing this project.

80-2206 Home2Suites Motel

Staff is working to finalize this project for acceptance into the Authority system. Mr. Wagner stated he will reach out to the County for information on incentives for this project.

80-2104 Castle Craig Water System Replacement

Staff is working to finalize this project for acceptance into the Authority system. *No change from previous meeting.*

80-2212 Blue Ridge Commons – Section 2

Staff is working to finalize this project for acceptance into the Authority system. *No change from previous meeting.*

80-2208 The Allure – Section 1

The developer has resumed construction on this project following a brief pause due to the housing market slowing. Authority staff has reduced the bond being held on this project.

80-2215 Absolute Storage (Combined with Chick-fil-A)

Staff is working to finalize this project for acceptance into the Authority system.

80-2101 Trent's Landing – Section 3

The record drawings are being reviewed. Once the record drawings and AIA forms have been received, Authority staff can begin the process of closing out this project. *No change from previous meeting.*

80-2309 The Allure – Section 2

The record drawings are being reviewed. *No change from previous meeting.*

80-2210 Leesville Road Apartments

Authority staff has forwarded the punch list to the developer. The only part of this project that involves the Authority is the gravity line that runs beside the apartments. There is a private pump station onsite that will be decommissioned once the Martin Drive pump station is in service. *No change from previous meeting.*

80-2307 Leesville Road Apartments – Off-Site Water Extension

The Bond for this project was reduced because the Contractor has completed the water and sewer portion of this project except for some punch list items. Authority staff is waiting

on record drawings. The waterline extension has been placed in service and is working well.

80-2310 Crescent Grove Subdivision

The Contractor is progressing with installation of sanitary sewer and the waterline extension. *No change from the previous meeting.*

80-2405 Brookville High School Water and Sewer improvements

The sanitary sewer and water portion of this project is complete. Authority staff will begin compiling close-out information.

80-2406 Centra Rehabilitation Hospital and Behavioral Health Hospital

The General Contractor has started clearing the area for the Rehabilitation Hospital. Construction is expected to begin in late September or early October 2024.

80-2304 Martin Drive Regional Wastewater System

Mr. Wagner stated that both his and the Developer's designs are approximately 90 percent complete, and the designs have been exchanged so that each will review the other's work. Easement acquisition has begun

D4. DIRECTORS REPORT

1. Activities Calendar – Reviewed and is on file in the Authority office.
2. Next Board Meeting – Tuesday, September 24th at 5:00 p.m.
3. Telework Report – No teleworking activities were reported for the month of July 2024.
4. Joint Meeting with Board of Supervisors – Mr. Wells stated that the joint meeting with the Campbell County Board of Supervisors is planned for Tuesday, September 17, 2024, at 6 pm in the multipurpose room of the Haberer building. Potential topics to be discussed include the Mandatory Sewer Connection Policy and possible joint utility projects between the Authority and the County.
5. Leesville Road Aid to Construction – Authority staff reviewed information on file to direct how to handle Aid-to-Construction and water fees collected for the Leesville Road Billing Area. A letter dated January 7, 2005 from Mr. Mike Damron, the Authority Administrator at that time, to Mr. David Laurrell, the Administrator of Campbell County at that time, outlined the expectation that the Leesville Road Aid-to-Construction fees and 20% of water revenue collected by the Authority will continue to be sent to the County at the end of each fiscal year until the principal and interest amount of

\$2,077,953.30 is completely refunded to the County. As of June 30, 2024, the Authority has paid \$1,571,764.40 to the County. The 20-year agreement period with the County will end October 2024, when the original bond was scheduled to be paid. For information, the 2004 Bond was refinanced in 2011 and again in 2020, to reduce interest payments, but will be paid in full October 2027.

6. Appomattox County Inquiry – A letter was received from Ms. Susan Adams, Administrator of Appomattox County, requesting guidance on additional infrastructure needed to meet increased water demand to serve future development. After consultation with representatives of Campbell County, it was recommended that the Authority provide a brief response. A draft letter was distributed for Board review and is on file in the Authority office. Mr. Frank Rogers and Mr. Clif Tweedy have both reviewed and agree with the content of the letter. The letter notifies Appomattox County representatives that the Authority can provide up to 300,000 gpd of water to Appomattox without additional infrastructure; however, beyond 300,000 gpd, a booster pump station will be needed at the expense of Appomattox. The letter also reminded Appomattox representatives that the current agreement will expire in 2030.

In response to a question raised by Mr. Austin, Ms. Adams has indicated that she is aware that the contract will expire in 2030. In a meeting with Mr. Wells, Ms. Adams stated that she did not believe the Authority would discontinue water service to the Appomattox County when the contract expired. Mr. Wells stated that, in accordance with the letter sent in 2020, the Authority will discontinue providing water to Appomattox in 2030.

The Board approved the letter to be mailed on August 28, 2024.

E. BOARD ACTION ITEMS

E1. Resolution for Tommy Baldwin

Mr. Thomas “Tommy” Baldwin is retiring effective August 31, 2024. Mr. Baldwin has requested no party be held. The following Resolution was presented for approval:

**RESOLUTION IN HONOR OF
Tommy Baldwin**

WHEREAS, Tommy Baldwin has served the citizens of Campbell County with distinction and in an exemplary manner as an employee of the Campbell County Utilities and Service Authority from 2005 to 2024 a period of 19 years; and,

WHEREAS, during his service to the Authority, Tommy Baldwin served as Project Inspector and Backflow Coordinator for 19 years; and gave generously of his time and talents to serve the Citizens of Campbell County; and,

WHEREAS, during his service to the Authority, Tommy Baldwin has demonstrated his loyalty, commitment, and dedication to the Authority time and time again; and,

WHEREAS, Tommy Baldwin's wisdom, insight and knowledge contributed greatly to the development of the Authority; and,

WHEREAS, Tommy Baldwin's actions and demonstrated abilities have earned the respect and recognition of his peers, employees, senior Authority staff, and the Authority Board.

NOW, THEREFORE, BE IT RESOLVED, that Tommy Baldwin be commended for his faithful and distinguished service to the Campbell County Utilities and Service Authority, and that the Board and staff express our personal appreciation for the opportunity to work with him during the past 19 years, and extend our sincere best wishes for the future. He will always be part of the CCUSA family.

This resolution was approved by the Campbell County Utilities and Service Authority on the 27th day of August, 2024 by the Authority Board and Authority staff.

*Don Austin, Chairman
James Marstin, Vice-Chairman
Carter S. Elliott, Jr, Member
Wilson S. Dickerson, Member*

*Joe Kirkland, Member
Charlie Droog, Member
Dan Richardson, Member
Matthew Cline, Supervisor Liaison*

*Jeffrey S. Wells, Executive Director
Josh Pribble, Operations Superintendent
April M. Farmer, Technology Coordinator*

*Tim Wagner, Utilities Engineer
Wendy C. Meese, Accounting Manager
Vanessa Brown, Office Manager*

*Jeffrey S. Wells, Executive Director
CAMPBELL COUNTY UTILITIES
AND SERVICE AUTHORITY BOARD*

VOTE:

AYES: Austin, Marstin, Droog, Dickerson, Elliott, Richardson

NAYS: None

ABSENT DURING VOTE: Kirkland

ABSENT DURING MEETING: Kirkland

E2. New Accounting and Billing Software

Authority staff has been evaluating software that would suit Authority needs. Authority staff has been using the current billing software since 1998, and the current accounting software since 2004. The current software systems are independent of each other. Authority staff is in need of an integrated software suitable for both billing and accounting purposes. Staff has evaluated several systems, but only one software is suitable for all the Authority's needs. Edmundsgovtech Software is the best option Authority staff has found and Edmundsgovtech has also been contracted by the County to be the software for Campbell County.

MOTION: Mr. Droog made a motion, seconded by Mr. Dickerson, to authorize the Authority Executive Director to execute an agreement with Edmundsgovtech Software, with the initial fees to be paid from the Unencumbered Line Item and on-going fees to be worked into the FY26 and future operating budgets.

ACTION: Approved 6-0, with Mr. Kirkland absent.

E3. Fire Hydrant Maintenance and Painting

Sealed bids were received for Fire Hydrant Maintenance and Painting on August 27, 2024. The project includes cleaning each hydrant with a wire brush prior to painting, painting, checking the oil, and brush cleanup in the areas surrounding the fire hydrants throughout the Authority system.

The following bids were received:

Contractor	Bid
Titan Industrial Services, Inc.	\$525,000
Old Dominion Tank and Tower, LLC	\$222,500
Hydromax USA	\$133,750
DMD Consultants, Inc.	\$148,750

In response to a question raised by Mr. Marstin, DMD Consultants, Inc. performed this service for the Authority in the past, when it was required to remove all paint from the hydrants. DMD Construction was the second lowest bidder for the FY25 project. In response to a question raised by Mr. Austin, Authority staff has not worked with Hydromax USA in the past. Hydromax provided several references in North Carolina, Virginia, and Florida.

Staff recommended that the Board award the contract to Hydromax USA.

MOTION: Mr. Elliott made a motion, seconded by Mr. Richardson, that the Fire Hydrant Painting and Maintenance contract be awarded to Hydromax USA, subject to a positive references review.

ACTION: Approved 6-0, with Mr. Kirkland absent.

E4. 80-2205 Liberty University Aviation Maintenance Training Facility

The final cost of the Liberty University Aviation Maintenance Training Facility project was \$54,863.95. Most of this project was a waterline extension to a master meter with a pressure reducing zone assembly. The sewer extension from the back of the facility ties into the Authority's existing 12" sewer main from the airport. The amount to be capitalized includes engineering and construction costs of \$36,450 that were paid directly by the Developer. The estimated cost-plus 15 percent was higher than actual costs, so the Authority issued a check for the difference of \$5,386.05. The Authority received \$449.70 for inspection fees which will be considered Miscellaneous Revenue for FY24. The summary of expenses was reviewed and are on file in the Authority office.

In response to a question raised by Mr. Richardson, the cost of the project was for actual construction costs; the Capital Recovery Fees are paid separately.

MOTION: Mr. Dickerson made a motion, seconded by Mr. Droog that the Liberty University Aviation Maintenance Training Facility project be accepted into the Authority system.

ACTION: Approved 6-0, with Mr. Kirkland absent.

E5. Extension Agreement – Yellow Branch Subdivision – Phase 2

This is an Agreement between the Authority and Luke 10:27, LLC for water and sanitary sewer extensions to serve the next phase of the Yellow Branch Development includes approximately 3,000 linear feet of watermains and approximately 2,400 linear feet of gravity sewer. This phase of the development includes 59 townhomes in 8 buildings, 21 patio homes in 7 buildings, and a clubhouse with a pool. Part of this phase of the development will be parallel to Route 24 and part will be parallel to the previous phase of the development. The clubhouse and pool will be located near Route 24.

The Owner has paid the plan review and inspection fees, but the Authority is waiting on an acceptable Letter of Credit.

MOTION: Mr. Richardson made a motion, seconded by Mr. Droog, to authorize the Chairman to execute the extension agreement with Luke 10:27, LLC for water and sanitary sewer extensions to serve the next phase of the Yellow Branch Development pending an acceptable Letter of Credit or Bond.

ACTION: Approved 6-0, with Mr. Kirkland absent.

F. MATTERS FROM THE BOARD

F1. Illegal Use of Fire Hydrant

Mr. Droog stated that there was another report of illegal use of an Authority fire hydrant. An Authority customer took pictures of the contractor connected to the fire hydrant and shared the pictures with Mr. Droog. Mr. Wells stated that he has given this information to Ms. Vanessa Brown for an invoice to be forwarded to RGI, the offending contractor.

Mr. Droog brought up increasing the fee, which is currently \$1,000. The Board stated that the fee is meant to get attention and deter the contractor from another offense. If there is damage to the fire hydrant, the contractor in question will receive an invoice for damages.

Mr. Wagner stated that he has contacted the Fire Marshall of Campbell County and requested this information to be relayed to all fire personnel. Mr. Wagner also contacted the Campbell County Sheriff's Department, but never received a return call. This issue is also discussed in all pre-construction meetings. Toney Construction is the only Contractor approved to use Authority hydrants.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Droog, that the Authority meeting be adjourned at 5:28 p.m.

ACTION: Approved 6-0, with Mr. Kirkland absent.

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this _____ day of _____, 2024, with _____ of _____ members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
September 24, 2024 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Don Austin – Chairman - called the meeting to order at 5:00 P.M. with the Pledge of Allegiance and a Prayer.

A1. MEMBERS PRESENT

Don Austin, Chairman
James Marstin, Vice-Chairman
Wilson Dickerson
Charlie Droog
Carter S. Elliott, Jr.
Joe Kirkland
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Josh Pribble, Operations Superintendent
April Farmer, Technology Coordinator

Wendy Meese, Accounting Manager (absent – illness)

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

C1. **MOTION:** Mr. Droog made a motion, seconded by Mr. Dickerson, that the Minutes of the August 27, 2024 Board Workshop be approved.

ACTION: Approved 6-0-1, with Mr. Kirkland abstaining from the vote due to his absence from the August workshop.

- C2. **MOTION:** Mr. Droog made a motion, seconded by Mr. Richardson, that the Minutes of the August 27, 2024 Board Meeting be approved.

ACTION: Approved 6-0-1, with Mr. Kirkland abstaining from the vote due to his absence from the August meeting.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Copies of the preliminary August 2024 reports were reviewed and are on file in the Authority office.

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 1,920,662.50
Expenses:	\$ 844,029.25
Budgeted Capital:	\$ 1,829,900.00
Surplus/(Deficit) to date:	\$ 1,076,633.25/ (\$753,266.75)
Total "Unencumbered"	\$ 1,314,018.86
Bank Balance 8/31/24:	\$ 3,133,951.70
Investment Balance 8/31/24:	\$ 10,435,026.75
Combined Bank Balance 8/31/24:	\$13,568,978.45

VENDORS

New permanent vendors added in August 2024:

Lewis Systems & Service Co., Inc.	Lynchburg, VA
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Final Bills or reimbursements of overpayments (address available upon request):

None

MOTION: Mr. Kirkland made a motion, seconded by Mr. Droog, that the new vendor list for August 2024 be approved.

ACTION: Approved Unanimously.

D2. OPERATIONS REPORT

The Operations Superintendent's report was distributed and is available at the office for review.

Mr. Pribble reviewed the statistical and operation reports for August 2024. Copies of said reports are available in the Authority office.

Treatment at the Otter River Water Plant was up 0.9 percent compared to August 2023. Sales to the Town of Altavista have increased 33.0 percent from the previous year. Mr. Pribble noted this increase is likely temporary and will return to normal in the next couple of months. Sales to the East System have decreased by 11.1 percent. Overall Central System retail sales shows 0 percent change, with only 58,091 gallons change to date this fiscal year compared to August 2023. Usage in Naruna decreased 26.2 percent from the previous year. Mr. Pribble stated this is likely to the new equipment that Georgia Pacific installed at the end of 2023 that will result in a decrease in water usage for Naruna. Total CCUSA water reflected a decrease of 0.6 percent to date in FY25 compared to FY24.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) decreased 5.5 percent compared to last August. Wastewater sent to the City of Lynchburg for treatment decreased 0.7 percent when compared to last August. The overall result was a decrease in wastewater treatment of 1.0 percent for the first two months of the new fiscal year.

There were 41 new connections serving 41 units for water and 39 new connections serving 39 units sewer in the month of August 2024 compared to 19 new water connections and 11 new sewer connections serving 118 and 110 units, respectively, in August 2023. 16 of the new units in August were in the Allure development, 18 were in the Augusta Springs development, and five were Lockridge Patio Homes. All three of these developments are townhomes or patio homes and all three developments are also served by sewer.

There were 69 disconnections for non-payment of bills in August compared to 59 in August 2023. There have been 21 more disconnections to date this fiscal year over last year.

The Authority had 9,220 metered water connections serving 15,006 units and 3,267 sewer connections serving 5,899 units as of August 31, 2024.

There were 891 travel points during the month of August 2024, which was an average of 45 stops per workday. Mr. Pribble noted that location requests have decreased because fiber optic lines are being installed in portions of Campbell County where the Authority does not have infrastructure.

In response to a question raised by Mr. Austin, Authority maintenance staff responded to an inquiry from Mr. Austin of water surfacing on Route 24 and found another pinhole leak in the area where the waterline will be replaced due to corrosive soil. Mr. Wells stated that Toney Construction, Inc. has been contracted to replace approximately 450 feet of waterline on Route 24 due to corrosive soil; however, the soil has been too wet for construction to begin. This project was discussed at the January 2023 through August 2023 Board meetings. In response to a question raised by Mr. Marstin, the waterline will be replaced with high-density polyethylene (HDPE), which does not react to acidic soils.

The Otter River was flowing at approximately 50 mgd on the meeting date and the record low for September 24th was 9 mgd in 2002. The median flow is 70 mgd for September 24th.

D3. ENGINEERING REPORT

The Construction Activities Report was reviewed and is on file in the Authority office.

80-2002 English Commons On-Site Water and Sewer

This project is nearing completion. As soon as the Contractor completes one more punch list item, this project will be ready to be capitalized. *No change from previous meeting.*

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner stated that he will contact Hurt & Proffitt to develop record drawings so that this project can be finalized. *No change from previous meeting.*

80-2009 Rustburg Middle School Water and Sewer improvements

Record drawings have been received and are under review. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed. Mr. Clif Tweedy stated he will request closeout information.

80-2105 Village Drive Patio Homes

Authority staff has received all necessary documents required and has reduced the bond held for this project. The Developer has temporarily paused construction because the market has slowed, but the Authority will hold a small bond in case there are any damages to the water and sewer infrastructure, sewage cleanouts, or meter services when construction resumes. *No change from previous meeting.*

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

The Contractor is preparing to install the stone surface area for the wastewater pump station. The SCADA antenna has been installed, lighting is on-site, and the access road is under construction. It is estimated the pump station will be online by the beginning of December 2024, as long as the genset and the ATS are received.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

Authority staff is waiting on the final pay request from Counts & Dobyns and record drawings. Once these two items are received, Authority staff will begin working on closing this project. *No change from previous meeting.*

80-2206 Home2Suites Motel

Staff is working to finalize this project for acceptance into the Authority system. Mr. Wagner stated he will reach out to the County for information on incentives for this project. *No change from previous meeting.*

80-2104 Castle Craig Water System Replacement

Staff is working to finalize this project for acceptance into the Authority system. *No change from previous meeting.*

80-2212 Blue Ridge Commons – Section 2

Staff is working to finalize this project for acceptance into the Authority system. *No change from previous meeting.*

80-2208 The Allure – Section 1

The developer has resumed construction on this project following a brief pause due to the housing market slowing. Authority staff has reduced the bond being held on this project. *No change from previous meeting.*

80-2215 Absolute Storage (Combined with Chick-fil-A)

Staff is working to finalize this project for acceptance into the Authority system.

80-2101 Trent's Landing – Section 3

Authority staff is waiting on closeout information from the Developer.

80-2309 The Allure – Section 2

The record drawings are being reviewed. *No change from previous meeting.*

80-2210 Leesville Road Apartments

Authority staff has forwarded the punch list to the developer; however, the Developer is working to resolve other issues that do not involve the Authority's portion of this project. The only part of this project that involves the Authority is the gravity line that runs beside the apartments. There is a private pump station onsite that will be decommissioned once the Martin Drive pump station is in service.

80-2307 Leesville Road Apartments – Off-Site Water Extension

The Bond for this project was reduced because the Contractor has completed the water and sewer portion of this project except for some punch list items. Authority staff is waiting

on record drawings. The waterline extension has been placed in service and is working well. *No change from previous meeting.*

80-2310 Crescent Grove Subdivision

There is another phase of this project that will be discussed in Item E2.

80-2405 Brookville High School Water and Sewer improvements

The sanitary sewer and water portion of this project is complete. Authority staff will begin compiling close-out information. *No change from previous meeting.*

80-2406 Centra Rehabilitation Hospital and Behavioral Health Hospital

There will be a ground-breaking for this project in the afternoon on Thursday, September 26, 2024.

80-2304 Martin Drive Regional Wastewater System

This project will be discussed in Item E1.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Activities Calendar – Reviewed and is on file in the Authority office.
2. Next Board Meeting – Tuesday, October 22, 2024 at 5:00 p.m.
3. Telework Report – No teleworking activities during the previous month.
4. Joint Meeting with Board of Supervisors – It was discussed during the joint meeting with the Campbell County Board of Supervisors that two members of the Authority Board participate in a joint Authority & County subcommittee to review the mandatory connection topic. Mr. Dickerson stated that Mr. Elliott was the only Authority Board member that was active when the Mandatory Sewer Connection Policy was adopted. Mr. Elliott and Mr. Richardson volunteered to serve on the joint Authority & County subcommittee. Mr. Cline stated that the Board of Supervisors has not expressed interest in changing the Mandatory Sewer Connection Policy since gaining a better understanding of the motive and necessity of the Policy over the previous few months.

In response to discussion, Mr. Wells will attempt to find out if a lien against a property for nonpayment of the Mandatory Sewer Connection Fees affects a property owner's credit.

Mr. Wagner stated the last time the Authority enforced the Mandatory Sewer Policy was for the Spring Hill Sewer extension in 1999. Mr. Droog expressed concern that the extension to serve Martin Drive Pump Station will affect a lot of property owners. Mr. Wagner stated that many of the residents he has had contact with have expressed relief that the project is being considered because there are failing drain fields that will be addressed by the project. Mr. Wagner stated that residents have approximately 2 years before payment will become due, which gives property owners time to make arrangements for payment. In response to a question raised by Mr. Dickerson about holding a public meeting, Mr. Wells stated that Mr. Wagner and Ms. Marty Weathers with Hurt & Proffitt have met with affected property owners, individually, to discuss the easements required and have discussed the fees that will be assessed during these one-on-one meetings. Mr. Kirkland stated that there are property owners that are currently working to address failing drain fields, and these are the property owners that need to know what their options are before they spend \$15,000 to \$20,000 to install a new septic system. Mr. Wagner stated that VDH is aware of this project and will likely advise property owners to be patient instead of installing a new system at this time. Mr. Wagner stated there will be some failing drain fields that are not addressed by this project, and that neighborhood meetings are already taking place to begin the process of pursuing 50/50 projects.

Mr. Wagner stated that the Authority has ARPA Funds available for purchase of the pump station site; however, these funds must be expended by December 31, 2026, so there is pressure to begin construction on the wastewater pump station for this project.

5. Christmas Luncheon – A date for the annual luncheon was discussed and Friday, December 13, 2024 was chosen. The December Board meeting will be held following the luncheon.

E. BOARD ACTION ITEMS

E1. Martin Drive WWPS Site Acquisition

Over the past six months, Authority staff has been diligently working to acquire a site from YES Communities for the Martin Drive WWPS.

When the project first started, the Authority was looking at a small piece of property closer to Timberlake Road that is owned by VDOT, but VDOT was not willing to sell the property. VDOT uses this property for access to clean out culverts under Timberlake Road where Buffalo Creek crosses under Timberlake Road. In response to a question raised by Mr. Droog, Mr. Wagner stated he has had discussions with Mr. Robert Brown, with VDOT, and VDOT has no interest in losing access to even a portion of this property. Authority staff evaluated the option to purchase property that is owned by Randall Zak and Mr. Zak was interested in selling the property to the Authority, but this property is entirely situated in the 100-year flood plain and would require the Authority to import a significant amount of fill material to build-up the property above the flood plain. There is another location in the Farfields area, but this location is in wetlands and the Authority would not be able to serve the entire sewer shed if the pump station is constructed in the Farfields area. Also, Mr. Wagner stated the Army Corp of Engineers would never permit the pump station within a wetland area.

The preferred site for the pump station is owned by YES Communities. This site is the only location that is partly above the 100-year flood plain. In previous conversations with

representatives of YES Communities, YES Communities was willing to sell the property to the Authority, so the Authority designed the project to use this property as the pump station site. This is the best site for the pump station and the design is currently at 95 percent completion and would cost the Authority additional money to redesign the project if the pump station is moved. The Authority made an offer to purchase 0.603 acres for \$75,492, which is the appraised value of the property plus the mandatory application fees for the 21 mobile homes that are within 400 feet of the sewer main and are the only mobile homes that would be affected by the Mandatory Sewer Connection Policy. YES Communities made a counteroffer of \$515,075 that would cover application fees for the entire mobile home park. Negotiations have been going on for approximately six months and a reasonable agreement has not yet been reached. Mr. Wells and Mr. Wagner have a ZOOM meeting with representatives from YES Communities and legal counsel on Wednesday, October 2, 2024. Authority staff will not exceed the offer of \$75,492. If an agreement cannot be reached, the Authority will be forced to use eminent domain. If eminent domain is used, only the appraised value of the 0.603 acres will be offered. Mr. Wagner stated that the timeline of the project is beginning to suffer because of the time spent negotiating with YES Communities. Every week of delay pushes the construction schedule later and increases the danger of the Authority losing necessary ARPA funds to complete the project.

MOTION: Mr. Elliott made a motion, seconded by Mr. Richardson to authorize Authority staff to initiate eminent domain if a reasonable agreement cannot be reached to purchase the property from YES Communities to construct the Martin Drive Pump Station.

ACTION: Approved Unanimously.

E2. Extension Agreement – Crescent Grove Subdivision – Phase II

An Agreement between the Authority and KDK Development, LLC for water and sanitary sewer extensions to serve the next phase of the Crescent Grove Subdivision includes approximately 1,700 linear feet of watermain and approximately 1,600 linear feet of gravity sewer and low pressure forcemain. This phase of the development includes 34 single-family residential properties. This is an infill development located between Rainbow Forest Drive, Viking Drive, and Waterlick Road.

CCUSA will invoice the Owner for plan review fees and inspection fees. The Owner has delivered an acceptable Surety Bond.

MOTION: Mr. Droog made a motion, seconded by Mr. Dickerson, to authorize the Chairman to execute the extension agreement with KDK Development, LLC for water and sanitary sewer extensions to serve the next phase of the Crescent Grove Subdivision.

ACTION: Approved Unanimously.

E3. 80-2003 Lynchburg Airport Rangoon Road Meter

The final cost of the Lynchburg Airport Rangoon Road Meter project was \$124,916.79. Mr. Wagner stated that Authority staff has been encouraging the Regional Airport to upgrade the master meter/backflow preventor that serves the Rangoon Road side of the airport for several years. To entice the Airport Authority, CCUSA purchased the fire meter, which was a contribution of \$14,916.79 towards the total project cost. The Regional Airport now has master meters on the Airport Road side and the Rangoon Road side with modern backflow prevention.

In response to a question raised by Mr. Richardson, the backflow prevention was the catalyst for this project, but the master meter was installed around 1975, so Authority staff felt it was time for the master meter to be replaced. The older water meters get, the less accurate the meters become.

MOTION: Mr. Droog made a motion, seconded by Mr. Kirkland that the Lynchburg Airport Rangoon Road Meter project be accepted into the Authority system.

ACTION: Approved Unanimously.

E4. Engineering Position

As discussed during the August workshop, Authority staff would like to move forward with converting the vacant Inspector position to a Utilities Engineer. The current Utilities Engineer title will be changed to "Engineering Director" and the job description will be modified accordingly.

Authority staff requested to begin the process of hiring for that position which will take several months to complete.

MOTION: Mr. Elliott made a motion, seconded by Mr. Droog that the position of Utilities Engineer be advertised.

ACTION: Approved Unanimously.

E5. CCUSA Board Committee for Mandatory Sewer Connection Policy

As discussed in Item D4-4, Mr. Elliott and Mr. Richardson volunteered to participate with the Board of Supervisors to discuss the Mandatory Sewer Connection Policy.

MOTION: Mr. Marstin made a motion, seconded by Mr. Dickerson that Mr. Elliott and Mr. Richardson work with members of the Board of Supervisors to review and advise on the Mandatory Sewer Connection Policy.

ACTION: Approved Unanimously.

F. MATTERS FROM THE BOARD

This time is to discuss any matters from the Board members.

F1. Staff Appreciation

Mr. Droog thanked Authority staff for the information compiled for the Joint Board Meeting and for the presentation made at the meeting.

F2. VDOT Improvements

In response to a question raised by Mr. Elliott, VDOT is working on transportation safety corridor improvements from the entrance of the Russell Woods Subdivision to Callahan Road and are reviewing all median crossings for that stretch of Route 29. VDOT has contacted Authority staff for record drawings and GIS information for water and sanitary sewer in that area. Mr. Wagner stated that the typical VDOT process will plan prior to construction so a project is likely five to six years before it comes to fruition. Mr. Clif Tweedy stated that, with all the growth in the referenced area, VDOT is planning to improve the entrance to Leland Drive from Route 29.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Richardson, that the Authority meeting be adjourned at 5:43 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this _____ day of _____, 2024, with _____ of _____ members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
October 22, 2024 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Don Austin – Chairman - called the meeting to order at 5:00 P.M.

A1. MEMBERS PRESENT

Don Austin, Chairman
James Marstin, Vice-Chairman
Wilson Dickerson
Charlie Droog
Carter S. Elliott. Jr.
Joe Kirkland
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Utilities Engineer
Josh Pribble, Operations Superintendent
Wendy Meese, Accounting Manager
April Farmer, Technology Coordinator

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Droog made a motion, seconded by Mr. Richardson, that the Minutes of the September 24, 2024 Board Meeting be approved.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Copies of the preliminary September 2024 reports were reviewed and are on file in the Authority office.

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 2,539,940.65
Expenses:	\$ 1,537,568.19
Budgeted Capital:	\$ 1,829,900.00
Surplus/(Deficit) to date:	\$ 1,002,372.46/ (\$827,527.54)
Total "Unencumbered"	\$ 1,127,891.79
Bank Balance 9/30/24:	\$ 2,554,034.68
Investment Balance 9/30/24:	\$10,487,788.19
Combined Bank Balance 9/30/24:	\$13,041,822.87

Ms. Meese noted that there was a deficit in the month of September, partly because the meters the Authority ordered during the COVID shortage have been received, resulting in payments for inventory of more than \$300,000 when the normal monthly expense is \$50,000. Mr. Pribble stated that the basement is full of meters, and it is a welcome sight.

VENDORS

New permanent vendors added in September 2024:

Edmunds GovTech	Northfield, NJ
Fortiline Meter Services	Atlanta, GA

Final Bills or reimbursements of overpayments (address available upon request):

Doug Kirby	Heather C. Stanley	Mark Marston
Sherman Jones	Loan Tieu Luc Smith	Shane S. Quarterley
James Rowland	DW Jacobs	Gary A. Wright
Latrina M. Markham	Donovan Patterson	Kayla Boris
Mark A. Rosado	Kiely E. Jeanis	Matthew K. Epp
Amanda A. Gillespie		

MOTION: Mr. Droog made a motion, seconded by Mr. Dickerson, that the new vendor list for September 2024 be approved.

ACTION: Approved Unanimously.

D2. OPERATIONS REPORT

The Operations Superintendent's report was distributed and is available at the office for review.

Mr. Pribble reviewed the statistical and operation reports for September 2024.

Treatment at the Otter River Water Plant was up 1.2 percent compared to September 2023. Sales to the Town of Altavista have increased 76.6 percent from the previous year. Mr. Pribble stated that he had to remind representatives from the Town of Altavista that they have a minimum usage requirement from April 1 to October 31 of each year. Sales to the East System have decreased by 1.3 percent. Overall Central System retail sales shows a decrease of 1.3 percent compared to September 2023. Usage in Naruna decreased 23.3 percent from the previous year. Total CCUSA water reflected a decrease of 0.7 percent to date in FY25 compared to FY24.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 5.3 percent compared to last September. Wastewater sent to the City of Lynchburg for treatment increased 4.6 percent when compared to last September. The overall result was an increase in wastewater treatment of 4.6 percent compared to last fiscal year.

There were 8 new connections serving 8 units for water and 7 new connections serving 7 units sewer in the month of September 2024 compared to 7 new water connections and 5 new sewer connections serving 7 and 5 units, respectively, in September 2023. 7 of the new connections in September were for the Blue Ridge Commons development, which are townhomes that are served by Authority water and sewer.

There were 86 disconnections for non-payment of bills in September compared to 44 in September 2023. Cut-offs in September 2023 were lower because cut-off day was delayed one week due to a large leak on English Tavern Road that maintenance was working to repair. There have been 63 more disconnections to date this fiscal year over last year.

The Authority had 9,228 metered water connections serving 15,014 units and 3,274 sewer connections serving 5,906 units as of September 30, 2024.

There were 894 travel points during the month of September 2024, which was an average of 38 stops per workday. In response to a question raised by Mr. Dickerson, Mr. Pribble stated that maintenance staff has been working to replace meters now that there are meters in inventory. There were 34 meters replaced in the month of September, whereas the summary sheet shows only 6 meters were replaced, in total, over the past 11 months. Maintenance staff is taking advantage in the decrease of the number of locates for fiber optic lines to replace meters.

In response to a question raised by Mr. Austin, the Authority purchased 500 cellular meters that will be placed in high-traffic areas that are dangerous to read and in areas that would improve safety and efficiency.

The Otter River was flowing at approximately 91 mgd on the meeting date and the record low for October 22nd was 16 mgd in 2003. The median flow for October 22nd is 80 mgd.

D3. ENGINEERING REPORT

The Construction Activities Report was reviewed and is on file in the Authority office.

80-2002 English Commons On-Site Water and Sewer

This project is nearing completion. As soon as the Contractor completes one more punch list item, this project will be ready to be capitalized. *No change from previous meeting.*

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner stated that he will contact Hurt & Proffitt to develop record drawings so that this project can be finalized. *No change from previous meeting.*

80-2009 Rustburg Middle School Water and Sewer improvements

Record drawings have been received and are under review. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed. Mr. Clif Tweedy stated he will request closeout information. *No change from previous meeting.*

80-2105 Village Drive Patio Homes

Authority staff has received all necessary documents required and has reduced the bond held for this project. The Developer has temporarily paused construction because the market has slowed, but the Authority will hold a small bond in case there are any damages to the water and sewer infrastructure, sewage cleanouts, or meter services when construction resumes. *No change from previous meeting.*

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

The access road to the pump station site is under construction. Installing electrical service is underway. It is estimated the pump station will be in service by the beginning of December 2024, if the genset and the automatic transfer switch (ATS) are received. In response to a question raised by Mr. Dickerson, it is expected that delivery of the genset and ATS between Thanksgiving and Christmas. Mr. Wagner stated that, once the townhouses are finished, the Developer is going to be pushing for certificates of occupancy, but no one can move into the townhouses until the wastewater pump station is in operation.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

This project was substantially complete in March 2024; however, Authority staff is waiting on the final pay request from Counts & Dobyns and record drawings. Once these two items are received, Authority staff will begin working on closing this project.

80-2206 Home2Suites Motel

Staff is working to finalize this project for acceptance into the Authority system. Mr. Wagner stated he will reach out to the County for information on incentives for this project. *No change from previous meeting.*

80-2104 Castle Craig Water System Replacement

Staff is working to finalize this project for acceptance into the Authority system. *No change from previous meeting.*

80-2212 Blue Ridge Commons – Section 2

Once the final invoice is paid and the remaining required items are satisfied, staff can close this project.

80-2208 The Allure – Section 1

The developer has resumed construction on this project following a brief pause due to the housing market slowing. Authority staff has reduced the bond being held on this project. *No change from previous meeting.*

80-2215 Absolute Storage (Combined with Chick-fil-A)

Staff is working to finalize this project for acceptance into the Authority system. *No change from previous meeting.*

80-2101 Trent's Landing – Section 3

Authority staff is in the process of reviewing record drawings.

80-2309 The Allure – Section 2

The record drawings are being reviewed. *No change from previous meeting.*

80-2210 Leesville Road Apartments

Authority staff has forwarded the punch list to the developer; however, the Developer is working to resolve other issues that do not involve the Authority's portion of this project. The only part of this project that involves the Authority is the gravity line that runs beside the apartments. There is a private pump station onsite that will be decommissioned once the Martin Drive pump station is in service. *No change from previous meeting.*

80-2307 Leesville Road Apartments – Off-Site Water Extension

The Bond for this project was reduced because the Contractor has completed the water and sewer portion of this project except for some punch list items. Authority staff is waiting on record drawings. The waterline extension has been placed in service and is working well. *No change from previous meeting.*

80-2310 Crescent Grove Subdivision

This project is progressing quickly. Once the sanitary sewer passes CCTV inspection, Authority staff will begin installing meters to the single-family houses that have been constructed.

80-2405 Brookville High School Water and Sewer improvements

The sanitary sewer and water portion of this project is complete. The RPZ's have not yet been installed.

80-2406 Centra Rehabilitation Hospital and Behavioral Health Hospital

Authority staff is reviewing shop drawings. The Contractor is not ready to begin the water and sewer portion of this project: the contractor is currently working on grading.

80-2304 Martin Drive Regional Wastewater System

The design is at approximately 95 percent completion; however, Authority staff needs to obtain easements and secure a location for the wastewater pump station. Once the pump station site is secured, this project will be advertised for bid. This project will be discussed further in Item D4.7.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Activities Calendar – Attached and is on file in the Authority office.
2. Next Board Meeting – Tuesday, November 26, 2024 at 5:00 p.m.
3. Authority Christmas Luncheon – Friday, December 13, 2024 at noon.
4. Telework Report – The report on teleworking activities for September, 2024 was distributed and is on file in the Authority office.
5. Knollwoods Subdivision – The Authority has accepted the VDH grant for \$45,000 to fund an engineering study. Hurt & Proffitt (H&P) was approved by VDH as the consultant for the project. H&P is preparing an estimate and timeline. Once the estimate and timeline are received, a task order will be issued, hopefully by the end of October 2024.

In response to a question raised by Mr. Dickerson, if the estimate for the task order does not exceed \$45,000, no future action will be required of the Board. The Board has already approved the project to move forward with Hurt & Proffitt.

6. Office Water Damage – Over the last couple of months Authority staff has been working with the insurance adjustor and Owen Building to reconcile the damage estimate with the estimated repair costs. Authority staff has notified Owen Building to proceed with the repairs and it is hoped the work will be substantially complete by mid-December. It is hoped the insurance policy will allow the Authority to reimburse itself for the time paid to employees while the office was closed for repairs.

In response to a question raised by Mr. Elliott, Authority staff had filed a claim through Virginia Risk Sharing Association (VRSA), the Authority's insurance company. VRSA will then file a claim with the insurance company of the roofing company that worked on the Authority's roof. Melvin T. Morgan was the roofing company on the project; however, Melvin T. Morgan had subcontractors that were working on the roof when the damage occurred.

7. Lead Service Line Inventory – Service Line Inventories for Authority systems were submitted by the deadline of October 16, 2024. Mr. Wells stated that Ms. April Farmer did a phenomenal job in pulling the information for over 9,000 connections together for the submittal.

In addition, Authority staff assisted Campbell County Schools with the William Campbell High School Inventory. These databases are living documents that will be maintained and updated in GIS. Annual updates are required until all material has been identified. Authority staff will be sending the required notification to the approximately 4,000 customers with unknown service lines by November 15, 2024 to include the EPA required language. The letter will give another chance for the property owner to complete a survey for a \$20 credit to their bill for that property. In response to a question raised by Mr. Marstin, Authority staff cannot identify the material used for the service line without digging on the property on both sides of the meter. In response to a question raised by Mr. Dickerson, Authority staff could go inside the house and find where the service line enters the house to determine the material used on the line; however, the Authority would like to avoid this approach, if possible. Mr. Dickerson stated that representatives of the Town of Altavista visited private properties and went

inside customer's homes. In response to a question raised by Mr. Austin, the survey will be a separate mailing. Mr. Wells stated this letter will go out in the next 30 days and stated that Board members may receive phone calls as a result.

8. Martin Drive WWPS Site Acquisition – On October 3, 2024, Mr. Wells and Mr. Wagner had a virtual meeting with Authority counsel and representatives of the YES Communities. After discussion, the YES Communities legal counsel verbally agreed to the Authority's latest offer for the site instead of moving forward with eminent domain. The cost of the 0.6 acres of land where the pump station will be situated will be the appraised price of the property plus the amount of the connection fees for the 21 mobile homes that will be assessed the mandatory connection fee. The payment will be approximately \$74,000. In response to a question raised by Mr. Richardson, the application fees will not be waived for any of the mobile homes. It is up to YES Communities to make application and to connect to the system. The payment by the Authority to purchase the property includes mandatory connection fees for the adjacent mobile homes only; 21 of the approximately 300 mobile homes situated in the mobile home park. In response to a question raised by Mr. Marstin, the mobile home park has private drainfields and the drainfields have been known to have issues in the past.
9. Utilities Engineer Position – This advertisement is active and will run through the week of November 11, 2024. In response to a question raised by Mr. Dickerson, there have been four responses as of the meeting date. All four responses were to the Indeed posting.

E. BOARD ACTION ITEMS

E1. Bids – Multiple Wastewater Pump Station Electrical Improvements

This project is a combination of four projects that have been included in the Authority's capital improvement plan since FY22. This project involves installation of a new pump control cabinet with soft starts and extend the electrical canopy at the 460 East Wastewater Pump Station (WWPS) located near the Liberty University campus; installation of a new pump control cabinet and extend the electrical canopy at the Flat Creek WWPS; re-locate and modify emergency generator from Flat Creek WWPS to the CCUSA Timberlake Office and provide a new emergency generator and ATS at the Flat Creek. In response to a question raised by Mr. Marstin, the project cost includes installation of the emergency generator at the Timberlake office. The horsepower (HP) of the control cabinet being installed at the Flat Creek WWPS will be 125 HP at the Flat Creek WWPS and 75 HP at the 460 East WWPS. The existing control panel at the Flat Creek WWPS is 23 years old and the existing control panel at the Route 460 WWPS is approximately 20 years old. The estimated useful life of a control panel is 15 to 20 years.

Bids were received on October 17, 2024, with A & L Electrical, Inc. being the only bidder. Their bid was \$264,620.00, which exceeds the CIP budget of \$210,536.20; however, the budget numbers are from the FY22 CIP. The shortfall will be offset by budget reserves.

MOTION: Mr. Elliott made a motion, seconded by Mr. Droog to accept the bid of \$264,620.00 by A & L Electrical for the Multiple Wastewater Pump Station Electrical Improvements.

ACTION: Approved Unanimously.

E2. 80-2104 Castle Craig Water System Replacement

The final cost of the Castle Craig Water System Replacement project was \$704,766.47. This project included a requirement from the Virginia Department of Health (VDH) that the Authority develop an asset management plan, not just for the Castle Craig waterline, but for the entirety of the Authority water system. It was also a requirement from VDH that the project be bid in a newspaper, which cost the Authority \$1,041.20. Because there was a grant from the American Rescue Plan Act of 2021 (ARPA) involved in the project, the Authority was required to obtain a System for Award Management (SAM) registration, which cost the Authority \$512.50. The water meters for the project cost \$9,693.38.

With the completion of this project, the Authority now has an 8-inch loop around the current 16-inch waterline on Route 29 and a short waterline extension down a portion of Nickland Drive. This project was mutually beneficial to the Authority and the residents that were connected to an abandoned water system. In response to a question raised by Mr. Richardson, there were approximately 30 properties that were connected to the new Castle Craig Water System Replacement.

MOTION: Mr. Droog made a motion, seconded by Mr. Dickerson that the Castle Craig Water System Replacement project be accepted into the Authority system.

ACTION: Approved Unanimously.

F. MATTERS FROM THE BOARD

None.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the Authority meeting be adjourned at 5:33 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this _____ day of _____, 2024, with _____ of _____ members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
November 26, 2024 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Don Austin – Chairman - called the meeting to order at 5:00 P.M.

A1. MEMBERS PRESENT

Don Austin, Chairman
James Marstin, Vice-Chairman
Wilson Dickerson
Charlie Droog
Carter S. Elliott, Jr.
Joe Kirkland
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison (absent – out of town)
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Engineering Director
Josh Pribble, Operations Superintendent
Wendy Meese, Finance Director
April Farmer, Technology Coordinator

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Droog made a motion, seconded by Mr. Richardson, that the Minutes of the October 22, 2024 Board Meeting be approved.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Copies of the preliminary October 2024 reports were reviewed and are on file in the Authority office.

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 3,226,915.61
Expenses:	\$ 2,064,766.22
Budgeted Capital:	\$ 1,884,000.00
Surplus/(Deficit) to date:	\$ 1,162,149.39/ (\$721,850.61)
Total "Unencumbered"	\$ 1,462,043.58
Bank Balance 10/31/24:	\$ 2,572,103.48
Investment Balance 10/31/24:	\$10,514,054.68
Combined Bank Balance 10/31/24:	\$13,086,158.16

VENDORS

New permanent vendors added in October 2024:

RoadSafe Traffic Systems, Inc.	Roanoke, VA
Griswold Industries	Costa Mesa, CA

Final Bills or reimbursements of overpayments (address available upon request):

Sarah K. Maddox	Dennis J. Milks
Laura d. Tate	Amy E. Skelton

MOTION: Mr. Kirkland made a motion, seconded by Mr. Dickerson, that the new vendor list for October 2024 be approved.

ACTION: Approved Unanimously.

D2. OPERATIONS REPORT

The Operations Superintendent's report was distributed and is available at the office for review.

Mr. Pribble reviewed the statistical and operation reports for October 2024.

Treatment at the Otter River Water Plant was up 1.8 percent compared to October 2023. Sales to the Town of Altavista have increased 73.5 percent from the previous year. Sales to the East System have decreased by 3.6 percent. Overall Central System retail sales

shows an increase of 0.5 percent compared to October 2023. Usage in Naruna decreased 23.1 percent from the previous year. Total CCUSA water reflected an increase of 132,452 gallons to date in FY25 compared to FY24.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 15.9 percent compared to last October. Wastewater sent to the City of Lynchburg for treatment increased 5.1 percent when compared to last October. The overall result was an increase in wastewater treatment of 5.7 percent compared to last fiscal year.

There were 3 new connections serving 3 units for water and 2 new connections serving 2 units for sewer, one being served by the Regional Wastewater Treatment Plant, and one being served by the Rustburg Wastewater Treatment Plant, in the month of October 2024 compared to 31 new water connections and 25 new sewer connections serving 31 and 25 units, respectively, in October 2023.

There were 78 disconnections for non-payment of bills in October compared to 60 in October 2023. There have been 81 more disconnections to date this fiscal year over last year.

The Authority had 9,231 metered water connections serving 15,017 units and 3,276 sewer connections serving 5,908 units as of October 31, 2024.

There were 979 travel points during the month of October 2024, which was an average of 49 stops per workday. There were 82 meters replaced in the month of October.

The Otter River was flowing at approximately 80 mgd on the meeting date and the record low for November 26th was 38 mgd in 2008. The median flow for November 26th is 111 mgd.

In response to a question raised by Mr. Austin, the waterline replacement on Route 24 was completed the week of November 11, 2024. This waterline was replaced due to corrosive soil that was causing blowholes to appear in the waterline and created several leaks on a relatively new section of waterline. The new waterline was placed approximately 10 to 15 feet away from and parallel to the existing waterline. The existing waterline was left in place. The new waterline is HDPE which is not affected by the corrosive soils.

D3. ENGINEERING REPORT

The Construction Activities Report was reviewed and is on file in the Authority office.

80-2002 English Commons On-Site Water and Sewer

Authority staff has confirmed that the Contractor has completed the one remaining punch list item, so this project is ready to be capitalized. Authority staff will begin this process.

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner stated that needs to issue a task order to Hurt & Proffitt to complete an as-built survey and record drawings so that this project can be finalized.

80-2009 Rustburg Middle School Water and Sewer improvements

Record drawings have been received and are under review. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed. Mr. Clif Tweedy stated he will request closeout information. *No change from previous meeting.*

80-2105 Village Drive Patio Homes

Authority staff has received all necessary documents required and has reduced the bond held for this project. The Developer has temporarily paused construction because the market has slowed, but the Authority will hold a small bond in case there are any damages to the water and sewer infrastructure, sewage cleanouts, or meter services when construction resumes. *No change from previous meeting.*

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

Mr. Wagner stated that the Contractor is waiting for Dominion Power to install electricity to the site, everything else for this project is complete.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

This project was substantially complete in March 2024; however, Authority staff is waiting on the final pay request from Counts & Dobyns and record drawings. Once these two items are received, Authority staff will begin working on closing this project. *No change from previous meeting.*

80-2206 Home2Suites Motel

Staff is working to finalize this project for acceptance into the Authority system. Mr. Wagner stated he will reach out to the County for information on incentives for this project. *No change from previous meeting.*

80-2212 Blue Ridge Commons – Section 2

The Developer has requested the Bond be released; however, Mr. Wagner stated there are items to be addressed for this project before the Bond can be released. Authority staff will reduce the Bond, leaving enough to cover expenses that may be incurred prior to project completion.

80-2208 The Allure – Section 1

The developer has resumed construction on this project following a brief pause due to the housing market slowing. Authority staff has reduced the bond being held on this project. *No change from previous meeting.*

80-2215 Absolute Storage (Combined with Chick-fil-A)

Staff is working to finalize this project for acceptance into the Authority system. *No change from previous meeting.*

80-2101 Trent's Landing – Section 3

Authority staff is in the process of reviewing record drawings. *No change from previous meeting.*

80-2309 The Allure – Section 2

The record drawings are being reviewed. *No change from previous meeting.*

80-2210 Leesville Road Apartments

Authority staff has forwarded the punch list to the developer; however, the Developer is working to resolve other issues that do not involve the Authority's portion of this project. The only part of this project that involves the Authority is the gravity line that runs beside the apartments. There is a private pump station onsite that will be decommissioned once the Martin Drive pump station is in service. *No change from previous meeting.*

80-2307 Leesville Road Apartments – Off-Site Water Extension

The Bond for this project was reduced because the Contractor has completed the water and sewer portion of this project except for some punch list items. Authority staff is waiting on record drawings. The waterline extension has been placed in service and is working well. *No change from previous meeting.*

80-2310 Crescent Grove Subdivision

This project is progressing quickly. Once the sanitary sewer passes CCTV inspection, Authority staff will begin installing meters to the single-family houses that have been constructed. *No change from previous meeting.*

80-2405 Brookville High School Water and Sewer improvements

The sanitary sewer and water portion of this project is complete. The RPZ's have not yet been installed. *No change from previous meeting.*

80-2406 Centra Rehabilitation Hospital and Behavioral Health Hospital

Construction of the sanitary sewer has started and has been connected to the Authority's existing sanitary sewer.

80-2304 Martin Drive Regional Wastewater System

The design is at approximately 95 percent completion; however, Authority staff needs to obtain easements and secure a location for the wastewater pump station. Two easements had been recorded as of the meeting date and there are two more easements that have verbal agreements that are in the process of being finalizing. Once the pump station site is secured, this project will be advertised for bid. This project will be discussed further in Item E2.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Activities Calendar – On file in the Authority office.
2. Christmas Luncheon – Friday, December 13th at 12:00 p.m. at 20644 Timberlake Road
3. Next Board Meeting – Friday, December 13th at 1:30 p.m.
4. Telework Report – On file in the Authority office.
5. Excellence in Financial Reporting – The Government Finance Officers Association issued an award for the FY23 Comprehensive Annual Financial Report submitted by Authority staff. This is the twelfth consecutive year the Authority has received this award.
6. 2025 Health and Dental Insurance Open Enrollment – Open enrollment has begun, and there was a 30 percent increase in health insurance premiums for the upcoming year. Campbell County is passing along a 10 percent increase to their employees. The increase to the Authority's share is greater than 10 percent. Mr. Wells recommended following the 10 percent increase to the employee's share of the premium as the County is implementing. The result will be the health insurance line being overspent by approximately \$60,000.

The Board was directed to let Ms. Meese know if the Board would like to make any changes to current coverage. Coverage changes will be effective January 1, 2025,

and payment for each month is invoiced a month in advance. New invoices will be distributed at the December Board meeting.

7. ADP Implementation – Authority staff has been diligently working with ADP to transition the Authority's timekeeping and payroll functions from Great Plains to ADP. An email went out on November 20, 2024 with instructions for everyone to set up their employee account. Pay stubs and W-2's will be accessible through the account for all Authority employees, including the Authority Board members. It is planned to begin using the new timeclocks on November 27, 2024 and to process the first live payroll for the December 13, 2024 payday.
8. Knollwoods Subdivision – Mr. Wells, the Authority's Consultant, Representatives from VDH and Knollwoods' current system operator met onsite on November 20, 2024 for a kickoff meeting and assess the current water system serving the Knollwoods/Ivy Acres community. The Authority's Consultant will begin working on the engineering report with an anticipated completion date by early March 2025.
9. Utilities Engineer Position – This position was advertised on the Authority's website and other channels, such as Indeed and LinkedIn, for approximately one month. Eighteen applications were received, and it is planned to interview one applicant who meets the minimum criteria on December 6, 2024.
10. Employee Gift Cards – The last several years, the Board has given Authority employees a gift card at the Christmas Luncheon. The Board concurred to continue the tradition of giving a monetary gift of \$150. In response to a question raised by Mr. Dickerson, the gift cards were increased from \$125 to \$150 two years ago.

E. BOARD ACTION ITEMS

E1. Extension Agreement – Lynbrook Single Family Residential

This is an Agreement between the Authority and TPB Enterprises, LLC for water and sanitary sewer extensions to serve the Lynbrook Single Family Residential Subdivision. The project includes approximately 3,000 linear feet of watermain, approximately 2,060 linear feet of on-site gravity sewer, and approximately 1,650 linear feet of off-site gravity sewer along Lynbrook Road, connecting to the Authority's existing Lynbrook WWPS. This development includes 36 single family residential properties and provides laterals connections so that 11 existing residential properties may apply for sewer service. This is an infill development located between Greendale Drive and Crestview Drive (Hyland Springs Subdivision).

The Owner has paid plan review fees, inspection fees, and for 36 residential water meters. The Bond was distributed for review at the meeting and is on file in the Authority office.

MOTION: Mr. Elliott made a motion, seconded by Mr. Dickerson, to authorize the Chairman to execute the extension agreement with TPB Enterprises, LLC for water and sanitary sewer extensions to serve the Lynbrook Single Family Residential Subdivision pending an acceptable Bond.

ACTION: Approved Unanimously.

E2. Contract of Purchase – Martin Drive Wastewater Pump Station Site

This is a Contract of Purchase to acquire 1.617 acres at the intersection of Martin Drive and Chestnut Creek Drive for the Martin Drive Wastewater Pump Station. The purchase price of \$120,675.00 reflects the appraised value of \$63,000.00 plus \$5,700.00 for a survey required by Yes Oaks at Timberlake, LLC's lender plus \$51,975.00 for the mandatory sewer connection fees for the 21 mobile homes located within 400 feet of the proposed sanitary sewer (\$2,475.00 per mobile home for Sewer Capital Recovery Fees). Yes Oaks at Timberlake, LLC will immediately pay the \$51,975.00 in mandatory sewer fees at closing.

Per requests from Board members, an email from Yes Oaks at Timberlake, LLC's lender listing the requirement for an updated survey and the financial breakdown of the overall Martin Drive Regional Wastewater Project were distributed and are on file in the Authority office. The financial breakdown is part of the Agreement that was executed between the Authority and Camden Village, LLC at the May 2024 Board Meeting. Mr. Wagner advised that the cost of acquiring the WWPS was always the Authority's responsibility; however, the Authority is acquiring 1.617 acres rather than the 0.23 acres stated in the Agreement. The additional acreage allows the Authority the ability to develop a maintenance warehouse or other facility on the property if the need arises in the future.

Mr. Wagner stressed that the project schedule is now being impacted by the Long-Eared Bat, a threatened species, which precludes the clearing of forested areas from April 1st to November 15th every year. This means that the Authority needs to expedite the purchase agreement so that trees can be cleared before April 1, 2025, otherwise the Authority will lose the entire 2025 construction season.

Mr. Wagner stated that the estimated fees that will be assessed according to the mandatory sewer connections and the fees that will be forthcoming from the Thomas Builders development will be approximately \$9.4 million in fees.

In response to a question raised by Mr. Marstin, the Authority will quickly recoup approximately \$5.4 million in fees once Thomas Builders begins construction of 1,000 apartments (included in the previous estimate of \$9.4 million stated above). Mr. Wagner stated that there may also be some 50/50 projects as a result of sewer being available in the area.

MOTION: Mr. Dickerson made a motion, seconded by Mr. Droog, to authorize the Chairman to execute the Contract of Purchase with Yes Oaks at Timberlake, LLC for 1.617 acres located at the intersection of Martin Drive and Chestnut Creek Drive once Authority legal counsel has approved the final agreement.

ACTION: Approved Unanimously.

E3. Extension Agreement – Seneca Park TMP 43-A-79

Campbell County may need to redirect up to \$1,970,496 in ARPA funds from broadband expansion to water and wastewater expansion. The County would like to execute a water and sanitary sewer extension agreement with the Authority to extend water and sanitary sewer to and into tax map parcel 43-A-79, a 136-acre lot located at the end of Ewing Drive in Seneca Park.

A water and sanitary sewer extension concept was developed in 2021 and an engineer's opinion of probable cost was developed in 2022 with a total cost of \$252,000 for the water extension and \$702,000 for the gravity sewer extension. These numbers will have to be updated, but not before consultation with County staff regarding layout of TMP 43-A-79. Also, the previous concept could only serve the parcel with wastewater to elevation 840; anything lower would have to be pumped.

In response to a question raised by Mr. Richardson, this parcel is part of Seneca Park. Mr. Wagner stated that Campbell County originally had envisioned this parcel as a regional recreational park.

Mr. Wagner stressed that this reallocation of funds is not confirmed as of the meeting date. Mr. Cliff Tweedy stated that the County has to obligate the funds by December 31, 2024 or the funds will be lost. The County had previously committed these funds to a broadband company that is not responsive, so the County has appealed to the State to authorize an agreement with a different broadband company, but if that commitment is not made in a timely manner or the State does not approve the change of broadband companies, the ARPA funds will be committed to the Authority as outlined above.

MOTION: Mr. Elliott made a motion, seconded by Mr. Richardson, to authorize the Chairman to execute an Extension Agreement with Campbell County for up to \$1,970,496 of water and sanitary sewer extensions to serve TMP 43-A-79 in Seneca Park.

ACTION: Approved Unanimously.

F. MATTERS FROM THE BOARD

No matters were discussed.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Droog, that the Authority meeting be adjourned at 5:45 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this _____ day of _____, 2024, with _____ of _____ members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
December 13, 2024 at 1:30 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Mr. Don Austin – Chairman - called the meeting to order at 12:05 P.M. with the Pledge of Allegiance, a Prayer, and a moment of silence in honor of Mr. Dickerson.

A1. MEMBERS PRESENT

Don Austin, Chairman
James Marstin, Vice-Chairman
Carter S. Elliott, Jr.
Joe Kirkland
Dan Richardson

Charlie Droog (absent – family illness)

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Engineering Director
Josh Pribble, Operations Superintendent
Wendy Meese, Finance Director
April Farmer, Technology Coordinator
Vanessa Brown, Office Manager

(absent – family illness)

B. CITIZENS PRESENT

Mr. James Givens, former Authority Administrator
Mr. Danny Hylton, former Authority Operations Superintendent

C. APPROVAL OF MINUTES

MOTION: Mr. Kirkland made a motion, seconded by Mr. Marstin, that the Minutes of the November 26, 2024 Board Meeting be approved.

ACTION: Approved 5-0, with Mr. Droog absent.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

The preliminary November 2024 reports were reviewed and are on file in the Authority office.

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 4,106,905.69
Expenses:	\$ 2,479,168.77
Budgeted Capital:	\$ 1,884,000.00
Surplus/(Deficit) to date:	\$ 1,627,736.92/ (\$256,263.08)
Total "Unencumbered"	\$ 1,931,321.39
Bank Balance 11/30/24:	\$ 2,949,616.70
Investment Balance 11/30/24:	\$ 10,550,248.86
Combined Bank Balance 11/30/24:	\$13,499,865.56

VENDORS

No vendors were added in November 2024:

D2. OPERATIONS REPORT

Mr. Pribble reviewed the statistical and operation reports for November 2024 which are on file in the Authority office.

Treatment at the Otter River Water Plant was up 1.0 percent compared to November 2023. Sales to the Town of Altavista have increased 73.5 percent from the previous year. Sales to the East System have decreased by 0.9 percent. Overall Central System retail sales have decreased 0.2 percent compared to November 2023. Usage in Naruna decreased 19.0 percent from the previous year. Total CCUSA water reflected a decrease of 0.5 percent to date in FY25 compared to FY24.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 14.6 percent compared to last November. Wastewater sent to the City of Lynchburg for treatment increased 8.4 percent when compared to last November. The overall result was an increase in wastewater treatment of 8.7 percent compared to last fiscal year.

There were 2 new connections serving 27 units for water and 2 new connections serving 2 units for sewer in the month of November 2024 compared to 5 new water connections and 2 new sewer connections serving 54 and 49 units, respectively, in November 2023.

There were 82 disconnections for non-payment of bills in November compared to 92 in November 2023. There have been 71 more disconnections to date this fiscal year over last year.

The Authority had 9,233 metered water connections serving 15,044 units and 3,278 sewer connections serving 5,910 units as of November 30, 2024. There were 896 travel points during the month of November 2024, which was an average of 45 stops per workday.

The Otter River was flowing at approximately 260 mgd on the meeting date and the record low for December 13th was 34 mgd in 2008. The median flow for December 13th is 169 mgd.

D3. ENGINEERING REPORT

The Construction Activities Report was reviewed and is on file in the Authority office. Mr. Wagner stated that there were less than three weeks since the last Board meeting and that little had changed on the projects, given that one of those weeks was also the week of the Thanksgiving holiday.

80-2002 English Commons On-Site Water and Sewer

Authority staff has confirmed that the Contractor has completed the one remaining punch list item, so this project is ready to be capitalized. Authority staff will begin this process. *No change since the previous meeting.*

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner stated that needs to issue a task order to Hurt & Proffitt to complete an as-built survey and record drawings so that this project can be finalized. *No change since the previous meeting.*

80-2009 Rustburg Middle School Water and Sewer improvements

Record drawings have been received and are under review. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed. Mr. Clif Tweedy stated he will request closeout information. *No change from previous meeting.*

80-2105 Village Drive Patio Homes

Authority staff has received all necessary documents required and has reduced the bond held for this project. The Developer has temporarily paused construction because the market has slowed, but the Authority will hold a small bond in case there are any damages to the water and sewer infrastructure, sewage cleanouts, or meter services when construction resumes. *No change from previous meeting.*

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

Mr. Wagner stated that the Contractor is waiting for Dominion Power to install electricity to the site, everything else for this project is complete. *No change since the previous meeting.*

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

This project was substantially complete in March 2024; however, Authority staff is waiting on the final pay request from Counts & Dobyns and record drawings. Once these two items are received, Authority staff will begin working on closing this project. *No change from previous meeting.*

80-2206 Home2Suites Motel

Staff is working to finalize this project for acceptance into the Authority system. Mr. Wagner stated he will reach out to the County for information on incentives for this project. *No change from previous meeting.*

80-2212 Blue Ridge Commons – Section 2

The Developer has requested the Bond be released; however, Mr. Wagner stated there are items to be addressed for this project before the Bond can be released. Authority staff will reduce the Bond, leaving enough to cover expenses that may be incurred prior to project completion. *No change since the previous meeting.*

80-2208 The Allure – Section 1

The developer has resumed construction on this project following a brief pause due to the housing market slowing. Authority staff has reduced the bond being held on this project. *No change from previous meeting.*

80-2215 Absolute Storage (Combined with Chick-fil-A)

Staff is working to finalize this project for acceptance into the Authority system. *No change from previous meeting.*

80-2101 Trent's Landing – Section 3

Authority staff is in the process of reviewing record drawings. *No change from previous meeting.*

80-2309 The Allure – Section 2

The record drawings are being reviewed. *No change from previous meeting.*

80-2210 Leesville Road Apartments

Authority staff has forwarded the punch list to the developer; however, the Developer is working to resolve other issues that do not involve the Authority's portion of this project. The only part of this project that involves the Authority is the gravity line that runs beside the apartments. There is a private pump station onsite that will be decommissioned once the Martin Drive pump station is in service. *No change from previous meeting.*

80-2307 Leesville Road Apartments – Off-Site Water Extension

The Bond for this project was reduced because the Contractor has completed the water and sewer portion of this project except for some punch list items. Authority staff is waiting on record drawings. The waterline extension has been placed in service and is working well. *No change from previous meeting.*

80-2310 Crescent Grove Subdivision

This project is progressing quickly. Once the sanitary sewer passes CCTV inspection, Authority staff will begin installing meters to the single-family houses that have been constructed. *No change from previous meeting.*

80-2405 Brookville High School Water and Sewer improvements

The sanitary sewer and water portion of this project is complete. The RPZ's have not yet been installed. *No change from previous meeting.*

80-2406 Centra Rehabilitation Hospital and Behavioral Health Hospital

Construction of the sanitary sewer has started and has been connected to the Authority's existing sanitary sewer. *No change since the previous meeting.*

80-2304 Martin Drive Regional Wastewater System

The design is at approximately 95 percent completion; however, Authority staff needs to obtain easements and secure a location for the wastewater pump station. Two easements had been recorded as of the meeting date and there are two more easements that have

verbal agreements that are in the process of being finalizing. Once the pump station site is secured, this project will be advertised for bid. *No change since the previous meeting.*

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Activities Calendar – Briefly discussed and is on file in the Authority office.
2. Next Board Meeting – Tuesday, January 28, 2025 at 5 p.m.
3. Telework Report – Briefly discussed and is on file in the Authority office.
4. Utilities Engineer Position – One applicant was interviewed on December 6, 2024. Mr. Wells stated that the interview went well and there will be a follow-up interview on Monday, December 16, 2024.
5. Chlorine Gas Safety Training – Water Plant Chief Operator, Michael Templeton arranged for training of Authority staff by an emergency response representative of Jones Chemical from Charlotte, NC. The training was held on December 9, 2024 with all water and wastewater staff attending and included a review of our facilities at the Otter River Plant. No major deficiencies were identified, and staff was appreciative of the training. Mr. Wells stated this training was very beneficial, especially since the Authority has some newer staff members.

In response to a question raised by Mr. Elliott, the EPA may be reviewing the use of fluoride in public water systems following a recent court ruling; however, no action has been taken as of the meeting date. The Authority currently adds fluoride during the treatment process at the water plant. Mr. Wells estimated that 80-85 percent of the public water facilities with a surface water service in Virginia use fluoride in the treatment process. All of the local public water systems currently use fluoride. Bedford had stopped using fluoride when it took over the Town of Bedford but received negative feedback from the Forest area as a result of discontinuing use of fluoride. After obtaining some grant funding from VDH, Bedford Regional Water Authority added fluoride back into its treatment process.

E. BOARD ACTION ITEMS

- E1. Resolution for Wilson L. Dickerson, Jr.

***RESOLUTION IN HONOR OF
Wilson L. Dickerson, Jr.***

WHEREAS, Wilson L. Dickerson, Jr. served the citizens of Campbell County with distinction and in an exemplary manner as a member of the Campbell County Utilities and Service Authority Board from January 18, 2002 until December 4, 2024, a period of almost 23 years; and,

WHEREAS, during his service to the Authority, shortened by an untimely passing, Mr. Dickerson gave generously of his time and talents to serve the Citizens of Campbell County; and

WHEREAS, during his service to the Authority, Wilson L. Dickerson, Jr. served as Chairman of the Board for 4 years and served as Vice-Chairman of the Board for 3 years and gave generously of his time and talents to serve the Citizens of Campbell County; and,

WHEREAS, Wilson's wisdom, insight, and knowledge of the needs of his County and community has contributed greatly to the development of this Authority from 2002 until the present including a multitude of major construction projects; and,

WHEREAS, Wilson's actions and demonstrated abilities have earned the respect and recognition of his fellow members and the Authority staff.

NOW, THEREFORE, BE IT RESOLVED, that Wilson L. Dickerson, Jr. will be remembered for his faithful and distinguished service to the Campbell County Utilities and Service Authority, and that the Board and staff express our personal appreciation for the opportunity to work with him during the past 23 years and extend our sincere regrets to his family.

This resolution was approved by the Campbell County Utilities and Service Authority on the 13th day of December 2024 by the Authority Board and Authority staff.

Don Austin, Chairman
James Marstin, Vice-Chairman
Charlie Droog, Member

Carter S. Elliott, Jr, Member
Joe Kirkland, Member
Dan Richardson, Member

Matthew Cline, Supervisor Liaison

Clif Tweedy, County Liaison

Jeffrey S. Wells, Executive Director
Tim Wagner, Engineering Director
Josh Pribble, Operations Superintendent

Wendy C. Meese, Finance Director
Vanessa Brown, Office Manager
April M. Farmer, Technology Coordinator

Jeffrey S. Wells, Executive Director
CAMPBELL COUNTY UTILITIES
AND SERVICE AUTHORITY BOARD

VOTE:

AYES: Austin, Marstin, Elliott, Kirkland, Richardson

NAYS: None

ABSENT DURING VOTE: None

ABSENT DURING MEETING: Droog

Mr. Wells stated that, once the Resolution is signed and framed, Mr. Wells and Mr. Austin will deliver the Resolution to Ms. Ann Carter Dickerson prior to the memorial service on December 21, 2024.

E2. Letter regarding Hurricane Helene Damage

A letter to Ms. Kelly Hitchcock with Central Virginia Planning District Commission (CVPDC) from the Authority was distributed for review. The letter states that the Authority is listed as a lead agency in a number of mitigation strategies in the Central Virginia Planning District Commission Hazard Mitigation Plan that was updated in 2020. For CCUSA to receive FEMA and VDEM funding directly to move forward on the strategies, CCUSA must be specifically included as a Special District. The letter requested that CVPDC designate the Authority as a Special District during the next revision. It is estimated that \$50-100 million will be available in Virginia as a result of events from Hurricane Helene. Amherst County Service Authority and Bedford Regional Water Authority have also made requests to become a Special District. Mr. Clif Tweedy stated that FEMA may issue 75 percent Grants, and the State could provide 5-15 percent Grants above the FEMA award for approved projects.

MOTION: Mr. Marstin made a motion, seconded by Mr. Kirkland, that the Authority apply to be designated as a Special District for the Central Virginia Planning District Commission Hazard Mitigation Plan.

ACTION: Approved 5-0, with Mr. Droog absent.

F. MATTERS FROM THE BOARD

F1. Lead and Copper Survey

In response to a question raised by Mr. Cline, the initial response rate to the lead service line survey was approximately 1,000 responses. Mr. Wells stated that was a good response rate for a survey of this kind. The Authority applied a \$20 credit to each account once an acceptable survey response was received. A second letter was sent to customers which resulted in an additional 500-600 responses as of the meeting date. VDH is reimbursing the Authority for the \$20 credits that are applied for a limited time. Once funding from VDH ends, the Authority will no longer offer the \$20 credits, so Authority staff is working diligently to get responses from its customers.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the Authority meeting be adjourned at 12:30 p.m.

ACTION: Approved 5-0, with Mr. Droog absent.

UPON MOTION by Mr. Richardson, seconded by Mr. _____, these minutes are approved this 28th day of January, 2025, with 6 of 6 members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
December 13, 2024 at 1:30 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

-
- A. CALL TO ORDER – Mr. Don Austin – Chairman - called the meeting to order at 12:05 P.M. with the Pledge of Allegiance, a Prayer, and a moment of silence in honor of Mr. Dickerson.

A1. MEMBERS PRESENT

Don Austin, Chairman
James Marstin, Vice-Chairman
Charlie Droog
Carter S. Elliott, Jr.
Joe Kirkland
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Engineering Director
Josh Pribble, Operations Superintendent
Wendy Meese, Finance Director
April Farmer, Technology Coordinator (absent – family illness)
Vanessa Brown, Office Manager

B. CITIZENS PRESENT

Mr. James Givens, former Authority Administrator
Mr. Danny Hylton, former Authority Operations Superintendent

C. APPROVAL OF MINUTES

MOTION: Mr. Kirkland made a motion, seconded by Mr. Marstin, that the Minutes of the November 26, 2024 Board Meeting be approved.

ACTION: Approved 6-0.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

The preliminary November 2024 reports were reviewed and are on file in the Authority office.

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 4,106,905.69
Expenses:	\$ 2,479,168.77
Budgeted Capital:	\$ 1,884,000.00
Surplus/(Deficit) to date:	\$ 1,627,736.92/ (\$256,263.08)
Total "Unencumbered"	\$ 1,931,321.39
Bank Balance 11/30/24:	\$ 2,949,616.70
Investment Balance 11/30/24:	\$ 10,550,248.86
Combined Bank Balance 11/30/24:	\$13,499,865.56

VENDORS

No vendors were added in November 2024:

D2. OPERATIONS REPORT

Mr. Pribble reviewed the statistical and operation reports for November 2024 which are on file in the Authority office.

Treatment at the Otter River Water Plant was up 1.0 percent compared to November 2023. Sales to the Town of Altavista have increased 73.5 percent from the previous year. Sales to the East System have decreased by 0.9 percent. Overall Central System retail sales have decreased 0.2 percent compared to November 2023. Usage in Naruna decreased 19.0 percent from the previous year. Total CCUSA water reflected a decrease of 0.5 percent to date in FY25 compared to FY24.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 14.6 percent compared to last November. Wastewater sent to the City of Lynchburg for treatment increased 8.4 percent when compared to last November. The overall result was an increase in wastewater treatment of 8.7 percent compared to last fiscal year.

There were 2 new connections serving 27 units for water and 2 new connections serving 2 units for sewer in the month of November 2024 compared to 5 new water connections and 2 new sewer connections serving 54 and 49 units, respectively, in November 2023.

There were 82 disconnections for non-payment of bills in November compared to 92 in November 2023. There have been 71 more disconnections to date this fiscal year over last year.

The Authority had 9,233 metered water connections serving 15,044 units and 3,278 sewer connections serving 5,910 units as of November 30, 2024.

There were 896 travel points during the month of November 2024, which was an average of 45 stops per workday.

The Otter River was flowing at approximately 260 mgd on the meeting date and the record low for December 13th was 34 mgd in 2008. The median flow for December 13th is 169 mgd.

D3. ENGINEERING REPORT

The Construction Activities Report was reviewed and is on file in the Authority office. Mr. Wagner stated that there were less than three weeks since the last Board meeting and that little had changed on the projects, given that one of those weeks was also the week of the Thanksgiving holiday.

80-2002 English Commons On-Site Water and Sewer

Authority staff has confirmed that the Contractor has completed the one remaining punch list item, so this project is ready to be capitalized. Authority staff will begin this process. *No change since the previous meeting.*

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner stated that needs to issue a task order to Hurt & Proffitt to complete an as-built survey and record drawings so that this project can be finalized. *No change since the previous meeting.*

80-2009 Rustburg Middle School Water and Sewer improvements

Record drawings have been received and are under review. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be closed. Mr. Clif Tweedy stated he will request closeout information. *No change from previous meeting.*

80-2105 Village Drive Patio Homes

Authority staff has received all necessary documents required and has reduced the bond held for this project. The Developer has temporarily paused construction because the market has slowed, but the Authority will hold a small bond in case there are any damages to the water and sewer infrastructure, sewage cleanouts, or meter services when construction resumes. *No change from previous meeting.*

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

Mr. Wagner stated that the Contractor is waiting for Dominion Power to install electricity to the site, everything else for this project is complete. *No change since the previous meeting.*

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

This project was substantially complete in March 2024; however, Authority staff is waiting on the final pay request from Counts & Dobyns and record drawings. Once these two items are received, Authority staff will begin working on closing this project. *No change from previous meeting.*

80-2206 Home2Suites Motel

Staff is working to finalize this project for acceptance into the Authority system. Mr. Wagner stated he will reach out to the County for information on incentives for this project. *No change from previous meeting.*

80-2212 Blue Ridge Commons – Section 2

The Developer has requested the Bond be released; however, Mr. Wagner stated there are items to be addressed for this project before the Bond can be released. Authority staff will reduce the Bond, leaving enough to cover expenses that may be incurred prior to project completion. *No change since the previous meeting.*

80-2208 The Allure – Section 1

The developer has resumed construction on this project following a brief pause due to the housing market slowing. Authority staff has reduced the bond being held on this project. *No change from previous meeting.*

80-2215 Absolute Storage (Combined with Chick-fil-A)

Staff is working to finalize this project for acceptance into the Authority system. *No change from previous meeting.*

80-2101 Trent's Landing – Section 3

Authority staff is in the process of reviewing record drawings. *No change from previous meeting.*

80-2309 The Allure – Section 2

The record drawings are being reviewed. *No change from previous meeting.*

80-2210 Leesville Road Apartments

Authority staff has forwarded the punch list to the developer; however, the Developer is working to resolve other issues that do not involve the Authority's portion of this project. The only part of this project that involves the Authority is the gravity line that runs beside the apartments. There is a private pump station onsite that will be decommissioned once the Martin Drive pump station is in service. *No change from previous meeting.*

80-2307 Leesville Road Apartments – Off-Site Water Extension

The Bond for this project was reduced because the Contractor has completed the water and sewer portion of this project except for some punch list items. Authority staff is waiting on record drawings. The waterline extension has been placed in service and is working well. *No change from previous meeting.*

80-2310 Crescent Grove Subdivision

This project is progressing quickly. Once the sanitary sewer passes CCTV inspection, Authority staff will begin installing meters to the single-family houses that have been constructed. *No change from previous meeting.*

80-2405 Brookville High School Water and Sewer improvements

The sanitary sewer and water portion of this project is complete. The RPZ's have not yet been installed. *No change from previous meeting.*

80-2406 Centra Rehabilitation Hospital and Behavioral Health Hospital

Construction of the sanitary sewer has started and has been connected to the Authority's existing sanitary sewer. *No change since the previous meeting.*

80-2304 Martin Drive Regional Wastewater System

The design is at approximately 95 percent completion; however, Authority staff needs to obtain easements and secure a location for the wastewater pump station. Two easements had been recorded as of the meeting date and there are two more easements that have verbal agreements that are in the process of being finalizing. Once the pump station site is secured, this project will be advertised for bid. *No change since the previous meeting.*

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Activities Calendar – Briefly discussed and is on file in the Authority office.
2. Next Board Meeting – Tuesday, January 28, 2025 at 5 p.m.
3. Telework Report – Briefly discussed and is on file in the Authority office.
4. Utilities Engineer Position – One applicant was interviewed on December 6, 2024. Mr. Wells stated that the interview went well and there will be a follow-up interview on Monday, December 16, 2024.
5. Chlorine Gas Safety Training – Water Plant Chief Operator, Michael Templeton arranged for training of Authority staff by an emergency response representative of Jones Chemical from Charlotte, NC. The training was held on December 9, 2024 with all water and wastewater staff attending and included a review of our facilities at the Otter River Plant. No major deficiencies were identified, and staff was appreciative of the training. Mr. Wells stated this training was very beneficial, especially since the Authority has some newer staff members.

In response to a question raised by Mr. Elliott, the EPA may be reviewing the use of fluoride in public water systems following a recent court ruling; however, no action has been taken as of the meeting date. The Authority currently adds fluoride during the treatment process at the water plant. Mr. Wells estimated that 80-85 percent of the public water facilities with a surface water service in Virginia use fluoride in the treatment process. All of the local public water systems currently use fluoride. Bedford had stopped using fluoride when it took over the Town of Bedford but received negative feedback from the Forest area as a result of discontinuing use of fluoride. After obtaining some grant funding from VDH, Bedford Regional Water Authority added fluoride back into its treatment process.

E. BOARD ACTION ITEMS

- E1. Resolution for Wilson L. Dickerson, Jr.

**RESOLUTION IN HONOR OF
Wilson L. Dickerson, Jr.**

WHEREAS, *Wilson L. Dickerson, Jr. served the citizens of Campbell County with distinction and in an exemplary manner as a member of the Campbell County Utilities and Service Authority Board from January 18, 2002 until December 4, 2024, a period of almost 23 years; and,*

WHEREAS, *during his service to the Authority, shortened by an untimely passing, Mr. Dickerson gave generously of his time and talents to serve the Citizens of Campbell County; and*

WHEREAS, *during his service to the Authority, Wilson L. Dickerson, Jr. served as Chairman of the Board for 4 years and served as Vice-Chairman of the Board for 3 years and gave generously of his time and talents to serve the Citizens of Campbell County; and,*

WHEREAS, *Wilson's wisdom, insight, and knowledge of the needs of his County and community has contributed greatly to the development of this Authority from 2002 until the present including a multitude of major construction projects; and,*

WHEREAS, *Wilson's actions and demonstrated abilities have earned the respect and recognition of his fellow members and the Authority staff.*

NOW, THEREFORE, BE IT RESOLVED, *that Wilson L. Dickerson, Jr. will be remembered for his faithful and distinguished service to the Campbell County Utilities and Service Authority, and that the Board and staff express our personal appreciation for the opportunity to work with him during the past 23 years and extend our sincere regrets to his family.*

This resolution was approved by the Campbell County Utilities and Service Authority on the 13th day of December 2024 by the Authority Board and Authority staff.

*Don Austin, Chairman
James Marstin, Vice-Chairman
Charlie Droog, Member*

*Carter S. Elliott, Jr, Member
Joe Kirkland, Member
Dan Richardson, Member*

Matthew Cline, Supervisor Liaison

Clif Tweedy, County Liaison

*Jeffrey S. Wells, Executive Director
Tim Wagner, Engineering Director
Josh Pribble, Operations Superintendent*

*Wendy C. Meese, Finance Director
Vanessa Brown, Office Manager
April M. Farmer, Technology Coordinator*

*Jeffrey S. Wells, Executive Director
CAMPBELL COUNTY UTILITIES
AND SERVICE AUTHORITY BOARD*

VOTE:

AYES: Austin, Marstin, Droog, Elliott, Kirkland, Richardson

NAYS: None

ABSENT DURING VOTE: None

ABSENT DURING MEETING: None

Mr. Wells stated that, once the Resolution is signed and framed, Mr. Wells and Mr. Austin will deliver the Resolution to Ms. Ann Carter Dickerson prior to the memorial service on December 21, 2024.

E2. Letter regarding Hurricane Helene Damage

A letter to Ms. Kelly Hitchcock with Central Virginia Planning District Commission (CVPDC) from the Authority was distributed for review. The letter states that the Authority is listed as a lead agency in a number of mitigation strategies in the Central Virginia Planning District Commission Hazard Mitigation Plan that was updated in 2020. For CCUSA to receive FEMA and VDEM funding directly to move forward on the strategies, CCUSA must be specifically included as a Special District. The letter requested that CVPDC designate the Authority as a Special District during the next revision. It is estimated that \$50-100 million will be available in Virginia as a result of events from Hurricane Helene. Amherst County Service Authority and Bedford Regional Water Authority have also made requests to become a Special District. Mr. Clif Tweedy stated that FEMA may issue 75 percent Grants, and the State could provide 5-15 percent Grants above the FEMA award for approved projects.

MOTION: Mr. Marstin made a motion, seconded by Mr. Kirkland, that the Authority apply to be designated as a Special District for the Central Virginia Planning District Commission Hazard Mitigation Plan.

ACTION: Approved 6-0.

F. MATTERS FROM THE BOARD

F1. Lead and Copper Survey

In response to a question raised by Mr. Cline, the initial response rate to the lead service line survey was approximately 1,000 responses. Mr. Wells stated that was a good response rate for a survey of this kind. The Authority applied a \$20 credit to each account once an acceptable survey response was received. A second letter was sent to customers which resulted in an additional 500-600 responses as of the meeting date. VDH is reimbursing the Authority for the \$20 credits that are applied for a limited time. Once funding from VDH ends, the Authority will no longer offer the \$20 credits, so Authority staff is working diligently to get responses from its customers.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the Authority meeting be adjourned at 12:30 p.m.

ACTION: Approved 6-0.

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this _____ day of _____, 2025, with _____ of _____ members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Agenda: Regular Meeting
January 28, 2025 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Don Austin – Chairman - called the meeting to order at _____ P.M.

A1. <u>MEMBERS</u>	<u>PRESENT</u>	<u>ABSENT</u>	<u>TIME ARRIVED</u>
Don Austin, Chairman	_____	_____	_____
James Marstin, Vice-Chairman	_____	_____	_____
Charlie Droog,	_____	_____	_____
Carter S. Elliott. Jr.	_____	_____	_____
Joe Kirkland	_____	_____	_____
Dan Richardson	_____	_____	_____

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Engineering Director
Josh Pribble, Operations Superintendent
Wendy Meese, Finance Director (attending via teleconference)
April Farmer, Technology Coordinator

B. CITIZEN COMMENT

None expected

C. APPROVAL OF MINUTES

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the Minutes of the December 13, 2024 Board Meeting be approved.

ACTION: _____

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 4,835,691.99
Expenses:	\$ 3,013,395.56
Budgeted Capital:	\$ 1,884,000.00
Surplus/(Deficit) to date:	\$ 1,822,296.43/ (\$61,703.57)
Total "Unencumbered"	\$ 2,110,342.66
Bank Balance 12/31/24:	\$ 2,595,541.53
Investment Balance 12/31/24:	\$ 10,593,241.90
Combined Bank Balance 12/31/24:	\$13,188,783.43

VENDORS

Permanent vendors added since last meeting:

Comfort Systems USA	South Boston, VA
---------------------	------------------

Final Bills, refunds of Account Establishment Fees (AEF) (address available upon request):

Lorraine M. Sinclair	Staci M. Beach
Charlotte Collonia	Earnest Adams
Lofton Leasing, LLC	Crystal D. Cowart
Geoffrey C. Burrell	Fermin Villalva
Martin J. Arthur, III	Dianne E. Hargis
Myra L. Carew	Rachel B. Beeler
Gerald W. Viar	

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the new vendor list for December 2024 be approved.

ACTION: _____

D2. OPERATIONS REPORT

The Operations Superintendent's report was distributed and is available at the office for review.

D3. ENGINEERING REPORT

The Construction Activities Report was distributed and is available at the office for review.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

E. BOARD ACTION ITEMS

E1. Extension Agreement – Project Highview

This is an Agreement between the Authority and Becknell Services, LLC for a water extension to serve TMP 69-4-4-3, located on Dearing Ford Road across from the entrance to BGF. The project includes approximately 735 linear feet of 16-inch watermain and a 12-inch by 2-inch master meter in a heated enclosure. The master meter is used to sell water to the Town of Altavista via the Purchase Contract between the Authority and the Town of Altavista. The Town will then resell the water to the industrial customer. Sanitary sewer service for the facility is being provided by the Town of Altavista.

The Owner has already paid plan review fees, inspection fees, and for the 12-inch by 2-inch master meter. We will be sending an additional invoice to the Owner for a price increase from the meter vendor that went into effect on January 1, 2025.

Note that the water demand on the end of this 16-inch waterline may reduce the HAA5 and TTHMs levels experienced during the warmer months.

MOTION: _____ made a motion, seconded by _____, to authorize the Chairman to execute the extension agreement with Becknell Services, LLC for a water extension to serve Project Highview.

F. MATTERS FROM THE BOARD

This time is to discuss any matters from the Board members.

H. ADJOURNMENT

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the Authority meeting be adjourned at _____ p.m.

ACTION: _____



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
January 28, 2025 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

-
- A. CALL TO ORDER – Mr. Don Austin – Chairman - called the meeting to order at 5:00 P.M. with the Pledge of Allegiance. Mr. Droog led the meeting in Prayer.

A1. MEMBERS PRESENT

Don Austin, Chairman
James Marstin, Vice-Chairman
Charlie Droog
Carter S. Elliott, Jr.
Joe Kirkland
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Engineering Director
Josh Pribble, Operations Superintendent
Wendy Meese, Finance Director (attending via teleconference)
April Farmer, Technology Coordinator

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Richardson made a motion, seconded by Mr. Kirkland, that the Minutes of the December 13, 2024 Board Meeting be approved with minor changes.

ACTION: Approved 5-0, with Mr. Droog abstaining from the vote due to his absence from the meeting.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are on file in the Authority office.

Year to date:

Revenues:	\$ 4,835,691.99
Expenses:	\$ 3,013,395.56
Budgeted Capital:	\$ 1,884,000.00
Surplus/(Deficit) to date:	\$ 1,822,296.43/ (\$61,703.57)
Total "Unencumbered"	\$ 2,110,342.66
Bank Balance 12/31/24:	\$ 2,595,541.53
Investment Balance 12/31/24:	\$ 10,593,241.90
Combined Bank Balance 12/31/24:	\$13,188,783.43

VENDORS

Permanent vendor added since last meeting:

Comfort Systems USA	South Boston, VA
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Final Bills, refunds of Account Establishment Fees (AEF) (address available upon request):

Lorraine M. Sinclair	Staci M. Beach
Charlotte Collonia	Earnest Adams
Lofton Leasing, LLC	Crystal D. Cowart
Geoffrey C. Burrell	Fermin Villalva
Martin J. Arthur, III	Dianne E. Hargis
Myra L. Carew	Rachel B. Beeler
Gerald W. Viar	

MOTION: Mr. Kirkland made a motion, seconded by Mr. Droog, that the new vendor list for December 2024 be approved.

ACTION: Approved 6-0.

D2. OPERATIONS REPORT

Mr. Pribble reviewed the statistical and operation reports for December 2024 which are on file in the Authority office.

Treatment at the Otter River Water Plant was up 0.8 percent compared to December 2023. Sales to the Town of Altavista have increased 67.9 percent from the previous year. Sales to the East System have decreased by 0.8 percent. Overall Central System retail sales have decreased 0.1 percent compared to December 2023. Usage in Naruna decreased

19.6 percent from the previous year. Total CCUSA water reflected a decrease of 0.4 percent to date in FY25 compared to FY24.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 13.8 percent compared to last December. Wastewater sent to the City of Lynchburg for treatment increased 7.2 percent when compared to last December. The overall result was an increase in wastewater treatment of 7.5 percent compared to last fiscal year.

There were 5 new connections serving 26 units for both water and sewer in the month of December 2024 compared to 5 new water and sewer connections serving 30 units in December 2023. Mr. Pribble noted that the Home2Suites made their first installment in December, their total connections are the equivalent of 22 ERU's. There were also 4 connections made in Lockridge Village, which were townhomes.

There were 78 disconnections for non-payment of bills in December compared to 72 in December 2023. There have been 77 more disconnections to date this fiscal year over last year. In response to a question raised by Mr. Austin, the number of cut-offs was a little low for December. Maintenance staff cut-off approximately 100 in January 2025.

The Authority had 9,238 metered water connections serving 15,070 units and 3,283 sewer connections serving 5,936 units as of December 31, 2024.

There were 807 travel points during the month of December 2024, which was an average of 40 stops per workday.

The Otter River was flowing at approximately 174 mgd on the meeting date and the record low for January 28th was 60 mgd in 1956. The median flow for January 28th is 193 mgd.

D3. ENGINEERING REPORT

The Construction Activities Report was reviewed and is on file in the Authority office.

80-2002 English Commons On-Site Water and Sewer

Authority staff has confirmed that the Contractor has completed the one remaining punch list item, so this project is ready to be capitalized. Authority staff will begin this process. *No change since the previous meeting.*

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner stated that needs to issue a task order to Hurt & Proffitt to complete an as-built survey and record drawings so that this project can be finalized. *No change since the previous meeting.*

80-2009 Rustburg Middle School Water and Sewer improvements

Record drawings have been received and are under review. Final costs and American Institute of Architects (AIA) close-out forms are also needed before the project can be

closed. Mr. Clif Tweedy stated he will request closeout information. *No change from previous meeting.*

80-2105 Village Drive Patio Homes

Authority staff has received all necessary documents required and has reduced the bond held for this project. The Developer has temporarily paused construction because the market has slowed, but the Authority will hold a small bond in case there are any damages to the water and sewer infrastructure, sewage cleanouts, or meter services when construction resumes. *No change from previous meeting.*

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

Mr. Wagner stated that there is now power on-site. It is hoped this pump station will be placed in service by the end of February 2025.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

This project was substantially complete in March 2024 and the final pay request from Counts & Dobyns has been paid. Once the record drawings are complete, Authority staff will begin working on closing this project.

80-2206 Home2Suites Motel

Staff is working to finalize this project for acceptance into the Authority system. Mr. Wagner stated he will reach out to the County for information on incentives for this project. *No change from previous meeting.*

80-2212 Blue Ridge Commons – Section 2

The Developer has requested the Bond be released; however, Mr. Wagner stated there are items to be addressed for this project before the Bond can be released. Authority staff will reduce the Bond, leaving enough to cover expenses that may be incurred prior to project completion. *No change since the previous meeting.*

80-2208 The Allure – Section 1

The developer has resumed construction on this project following a brief pause due to the housing market slowing. Authority staff has reduced the bond being held on this project. *No change from previous meeting.*

80-2215 Absolute Storage (Combined with Chick-fil-A)

Staff is working to finalize this project for acceptance into the Authority system. *No change from previous meeting.*

80-2101 Trent's Landing – Section 3

Authority staff sent some minor comments to the Engineer after reviewing record drawings.

80-2309 The Allure – Section 2

The record drawings are being reviewed. *No change from previous meeting.*

80-2210 Leesville Road Apartments

Authority staff has forwarded the punch list to the developer; however, the Developer is working to resolve other issues that do not involve the Authority's portion of this project. The only part of this project that involves the Authority is the gravity line that runs beside the apartments. Mr. Wagner stated it will likely be spring 2025 before the Contractor is able to address the remaining punch list items

There is a private pump station onsite that will be decommissioned once the Martin Drive pump station is in service.

80-2307 Leesville Road Apartments – Off-Site Water Extension

The Bond for this project was reduced because the Contractor has completed the water and sewer portion of this project except for some punch list items. Mr. Wagner stated it will likely be spring 2025 before the Contractor is able to address the remaining punch list items. Authority staff is waiting on record drawings. The waterline extension has been placed in service and is working well.

80-2310 Crescent Grove Subdivision

This project is progressing quickly. Once the sanitary sewer passes CCTV inspection, Authority staff will begin installing meters to the single-family houses that have been constructed. *No change from previous meeting.*

80-2405 Brookville High School Water and Sewer improvements

The sanitary sewer and water portion of this project is complete. The RPZ's have not yet been installed. *No change from previous meeting.*

80-2406 Centra Rehabilitation Hospital and Behavioral Health Hospital

Construction of the sanitary sewer has started and has been connected to the Authority's existing sanitary sewer. *No change since the previous meeting.*

80-2304 Martin Drive Regional Wastewater System

It is expected that the Authority will close soon on the purchase of the property for the pump station site. Once the purchase has been completed, this project will be advertised for bid. Then Authority staff will submit the joint application to the Army Corps of Engineers and the DEQ. Mr. Wagner stated that the Authority needs to have all ARPA funds committed by the end of 2025.

It was previously believed that there were long-eared bat nests in this project area and could affect the construction timeline; however, Hurt & Proffitt found this is not the case.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Activities Calendar – Briefly discussed and is on file in the Authority office.

2. Next Board Meeting – Tuesday, February 25th at 5:00 p.m.

Mr. Austin stated he will not be at the March 2025 meeting and that Mr. Marstin will conduct that meeting.

3. Telework Report – The report on teleworking activities during the month of December was distributed for review and is on file in the Authority office.

4. Utilities Engineer – Todd Asselborn, P.E. has accepted the Utilities Engineer position and will start on February 5, 2025. Mr. Asselborn has 25 years of experience in environmental engineering in consulting and industrial settings. Authority staff looks forward to working with Todd as he becomes acclimated to the utility work environment.

5. Legislative Update – As of January 15, 2025 there had been over 1,900 bills and resolutions introduced. The last day to introduce bills was Jan. 17, 2025. Crossover is February 5, 2025 with the session closing on February 22, 2025. VWWAA, VMDWA and VAMWA are holding weekly calls to update members on the status of bills of interest. Mr. Wells stated that he will monitor the weekly calls and report on bills of interest.

Mr. Wells noted that there are some bills that create requirements for the development, deployment, and use of high-risk Artificial Intelligence (AI) systems for use by public agencies.

House Bill 2407 (HB 2407) requires all waterworks to report to VDH within six hours of learning of any equipment failure or any event that poses a public health risk. This Bill surfaced after an event at Rapidan Service Authority in 2024 where a raw water pump had a catastrophic failure that released chemicals into the raw water supply. The public water supply was not usable for any purpose for one week. Mr. Wells stated

that most agencies are against this Bill because there are already provisions that require reporting within a 24-hour period and that six hours could be hard for staff to meet, especially while working to resolve the issue. Mr. Wells stated that it is likely this Bill will pass. In response to a question raised by Mr. Marstin, this bill defines what is considered a public health risk and categories events between “negligence” and “gross negligence”. Mr. Wells stated this Bill will have an impact on the Authority’s operations and possible liability for notifying VDH in the amount of time allowed.

Senate Bill 923 addresses interbasin transfers. This Bill prohibits DEQ from issuing a VWP permit for an agency that will pull water from one basin and then discharge that water into another basin. Mr. Wells stated that CCUSA does this as part of normal operations; however, this bill will grandfather CCUSA and other agencies that have a permit in existence as of July 1, 2025. In response to a question raised by Mr. Richardson, the purpose of this Bill is likely because DEQ is trying to evaluate and address water supply planning and needs to balance what water is available in each watershed.

Lastly, Senate Bill 1263 is related to residential development and water and sewer connection fees. This Bill would allow a locality to provide for full or partial reimbursement of water and sewer Connection Fees, Capital Recovery Charges (or Availability Charges), remitted by any applicant for any new residential development. This means that Campbell County could set up a program that would reimburse an applicant for fees paid to CCUSA. In response to a question raised by Mr. Austin, Campbell County currently has a program for commercial development but there has been no discussion of developing a program to reimburse residential development.

6. Invoice Cloud Update – The Authority has been offering Invoice Cloud as an online payment option for about the last 3.5 years. For the calendar year of 2023, approximately 18,380 transactions were processed accounting for over \$2.2 million or approximately 25% of the Authority’s annual revenues. About 2,009 accounts have enrolled in paperless billing with around 781 on autopay. In addition, there are approximately 605 customers that have automatic payment arrangements with their banking institutions that are grandfathered on the old autopay system.

	CY2022	CY2023	CY2024
Number of transactions	13,600	16,300	18,380
Revenue collected	\$1.3 million	\$1.7 million	\$2.2 million
Number of paperless accounts	1,081	1,542	2,009
Number on autopay	400	600	781

Mr. Wells noted that the Authority’s current vendor, Invoice Cloud, charges \$4.50 per transaction. When the Authority moves to Edmunds GovTech at the end of 2025, that fee is expected to be less. Hopefully, when that fee is reduced, the Authority will have even more participation in online payments.

7. Inactive Accounts with a Debit Balance Report - Legislation went into effect July 1, 2012 that required the Authority to charge deposits on new accounts to retain the right to place liens for unpaid bills. The CCUSA Board opted not to adopt a deposit policy, instead it was decided that the Account Establishment Fee would be increased from \$25.00 to \$50.00 with \$25 from each application to be set aside to cover inactive account losses. The annual summary showed that the current fees are adequate to cover annual losses through FY24. Authority staff did not propose an increase for FY26.

The annual summary of the losses and revenue collection since 2012 was reviewed and is on file in the Authority office.

8. Proposed Timeline for Budget Activities –Authority staff has developed action items with target dates that will provide sufficient time to notify customers if a rate increase is considered.

January	review proposed timeline and discuss preliminary outlook for budget & rates.
February	pick budget committee and schedule detailed budget review in March
March	present budget and rate recommendations to Board. Decide on advertising and holding a public meeting (if necessary)
April	hold public meeting in mid-April (if necessary). Decide on budget/rates at regular Board meeting
May	notify customers in this billing cycle (if necessary)
June	notify customers in this billing cycle (if necessary)
July 1st	new Budget takes effect

E. BOARD ACTION ITEMS

E1. Extension Agreement – Project Highview

This is an Agreement for an industrial project between the Authority and Becknell Services, LLC (the “Owner”) for a water extension to serve TMP 69-4-4-3, located on Dearing Ford Road across from the entrance to BGF Industries, Inc. (which used to be Timken Co.) The project includes approximately 735 linear feet of 16-inch watermain and a 12-inch by 2-inch master meter in a heated enclosure. The master meter is used to sell water to the Town of Altavista via the Purchase Contract between the Authority and the Town of Altavista. The Town will then resell the water to the industrial customer (Abbott Labs). Sanitary sewer service for the facility is being provided by the Town of Altavista.

Mr. Wagner stated this will be a warehouse for Abbott Laboratories, leased from Becknell Services, LLC.

The Owner has already paid plan review fees, inspection fees, and for the 12-inch by 2-inch master meter. In response to a question raised by Mr. Marstin, the size of the water meter is mainly to allow for adequate fire flow requirements. The Authority no longer uses a detector check on a large master meter. Mr. Wagner stated that the Authority has three master meters in the Town of Altavista. The Authority does not have an official policy to address installation of a master meter. There is also a FSAA master meter between CCUSA and Appomattox County. In any circumstance, if there is a fire demand, the Authority is billing for the water used. Mr. Pribble stated that the detector check is not for fire protection or to measure water for fire flow but to determine if there is a leak in the line.

Mr. Marstin stated that the Authority needs to be consistent on what equipment is required for fire flow and how fire flow will be billed. Authority staff will draft a policy for how to address fire flow requirements and will bring the proposed policy to the Board for review at a future meeting.

Mr. Wagner noted that the water demand on the end of this 16-inch waterline may reduce the HAA5 and TTHMs levels experienced during the warmer months

MOTION: Mr. Droog made a motion, seconded by Mr. Austin, to authorize the Chairman to execute the extension agreement with Becknell Services, LLC for a water extension to serve Project Highview.

ACTION: Approved 6-0.

E2. Extension Agreement – Holiday Inn Express – Wards Road

This is an Agreement between the Authority and HIRN Hotel, Inc. for water and sanitary sewer extensions to serve the Holiday Inn Select – Wards Road, a 113-room motel to be constructed just south of the intersection of Wards Road and the US 460 Bypass. The project includes approximately 60 linear feet of watermain to provide fire, domestic, and irrigation service to the motel. Waterline connection will be to the existing 12-inch waterline located along the western margin of Liberty Mountain Drive. Sanitary sewer service is provided by a private lateral connection to the Authority's existing 12-inch gravity sewer located along the northbound lanes of Wards Road.

The Owner has paid the plan review fees and inspection fees. The Owner failed to deliver an acceptable Letter of Credit by the January 28, 2025, Board Meeting; however, an acceptable Letter of Credit is expected.

MOTION: Mr. Elliott made a motion, seconded by Mr. Richardson, to authorize the Chairman to execute the extension agreement with HIRN Hotel, Inc. for water and sanitary sewer extensions to serve Holiday Inn Select – Wards Road pending an acceptable Letter of Credit.

ACTION: Approved 6-0.

E3. Extension Agreement Amendment – The Allure – Section 3A

This is an Agreement Amendment between the Authority and Yellow Branch Properties, LLC for water and sanitary sewer extensions to serve The Allure – Section 3A. This is a modification of the June 26, 2024 Agreement between the Authority and Yellow Branch Properties, LLC. Changes include a reduction of the number of multi-family units from 195 to 172 and the addition of approximately 475 linear feet of public gravity sewer and 691 linear feet of public water mains to serve future town homes.

The Owner will be invoiced for plan review fees and inspection fees. The Owner failed to deliver an acceptable Letter of Credit by the January 28, 2025, Board Meeting; however, an acceptable Letter of Credit is expected.

MOTION: Mr. Kirkland made a motion, seconded by Mr. Droog, to authorize the Chairman to execute the extension agreement with Yellow Branch Properties, LLC for water and sanitary sewer extensions to serve The Allure – Section 3A pending an acceptable Bond.

ACTION: Approved 6-0.

E4. Christmas Holiday Policy

Authority staff would like to update the office closure policy for the Christmas Holiday. Using the current policy for Christmas 2025 as an example, the Authority office will be open on Christmas Eve, but will be closed on December 26, 2025. Authority staff would like the policy to be changed to have the office closed on Christmas Eve and Christmas Day. In response to a question raised by Mr. Austin, if one of the holidays falls on the weekend the Authority would observe that holiday on the closest normal business day.

MOTION: Mr. Elliott made a motion, seconded by Mr. Richardson, to update the holiday schedule for the Authority office to be closed on Christmas Eve and Christmas Day.

ACTION: Approved 6-0.

F. MATTERS FROM THE BOARD

This time is to discuss any matters from the Board members.

F1. Distribution of Biosolids

Mr. Droog stated there was an article in the News & Advance in January 2025 that stated that the EPA has determined that a human has an increased chance of developing cancer if the person consumes meat or milk from cattle that graze in fields where biosolids are distributed. Mr. Droog stated the article mentioned PFAS.

F2. Leak at Hyland Heights Church

In response to a question raised by Mr. Elliott, there was a waterline leak at Hyland Heights Church that caused a traffic backup on Route 29; however, the leak was on the private side of the meter. The RPZ located inside the hotbox froze and burst. Authority Maintenance went to the Church to turn off the water until the leak could be addressed.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Droog, that the Authority meeting be adjourned at 5:48 p.m.

ACTION: Approved 6-0.

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this _____ day of _____, 2025, with _____ of _____ members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Agenda: Regular Meeting
February 25, 2025 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Mr. Don Austin – Chairman - called the meeting to order at _____ P.M.

A1. <u>MEMBERS</u>	<u>PRESENT</u>	<u>ABSENT</u>	<u>TIME ARRIVED</u>
Don Austin, Chairman	_____	_____	_____
James Marstin, Vice-Chairman	_____	_____	_____
Charlie Droog,	_____	_____	_____
Carter S. Elliott. Jr.	_____	_____	_____
Joe Kirkland	_____	_____	_____
Robert Lee, III	_____	_____	_____
Dan Richardson	_____	_____	_____

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Engineering Director
Josh Pribble, Operations Superintendent
Wendy Meese, Finance Director
April Farmer, Technology Coordinator

B. CITIZEN COMMENT

None expected

C. APPROVAL OF MINUTES

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the Minutes of the January 28, 2025 Board Meeting be approved.

ACTION: _____

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 5,670,997.31
Expenses:	\$ 3,782,079.84
Budgeted Capital:	\$ 1,884,000.00
Surplus/(Deficit) to date:	\$ 1,888,917.47/ \$ 4,917.47
Total "Unencumbered"	\$ 2,110,342.66
Bank Balance 1/31/25:	\$ 2,874,455.21
Investment Balance 1/31/25:	\$ 10,628,707.88
Combined Bank Balance 1/31/25:	\$13,503,163.09

VENDORS

Permanent vendors added since last meeting:

Temporary vendor: other than final bill or refund

TowneBank	Virginia Beach, VA
Lane Memorial Methodist Church	Altavista, VA

Final Bills: (address available upon request):

Ann K. Perry	Jilliam Morcom
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MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the new vendor list for January 2025 be approved.

ACTION: _____

D2. OPERATIONS REPORT

The Operations Superintendent's report was distributed and is available at the office for review.

D3. ENGINEERING REPORT

The Construction Activities Report was distributed and is available at the office for review.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

E. BOARD ACTION ITEMS

None known as of packet mailing

F. MATTERS FROM THE BOARD

This time is to discuss any matters from the Board members.

H. ADJOURNMENT

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the Authority meeting be adjourned at _____ p.m.

ACTION: _____



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
February 25, 2025 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

-
- A. CALL TO ORDER – Mr. Don Austin – Chairman - called the meeting to order at 5:00 P.M. with the Pledge of Allegiance. Mr. Droog led the meeting in Prayer. Introductions were made to the Authority's new Utilities Engineer. Mr. Todd Asselborn, and the newly appointed Board member, Mr. Robert Lee, III.

A1. MEMBERS PRESENT

Don Austin, Chairman
James Marstin, Vice-Chairman
Charlie Droog,
Carter S. Elliott. Jr.
Joe Kirkland (via teleconference)
Robert Lee, III
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison (left at 5:30 for meeting with Board of Supervisors)
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Engineering Director
Josh Pribble, Operations Superintendent
Wendy Meese, Finance Director
April Farmer, Technology Coordinator
Todd Asselborn, P.E., Utilities Engineer

Clif Tweedy, P.E., Deputy County Administrator (absent - meeting with Board of Supervisors)

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Droog made a motion, seconded by Mr. Marstin, that the Minutes of the January 28, 2025 Board Meeting be approved.

ACTION: Approved 6-0-1, with Mr. Lee abstaining from the vote since he was not at the January 2025 Board meeting.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 5,670,997.31
Expenses:	\$ 3,782,079.84
Budgeted Capital:	\$ 1,884,000.00
Surplus/(Deficit) to date:	\$ 1,888,917.47/ \$ 4,917.47
Total "Unencumbered"	\$ 2,193,070.76
Bank Balance 1/31/25:	\$ 2,874,455.21
Investment Balance 1/31/25:	\$ 10,628,707.88
Combined Bank Balance 1/31/25:	\$13,503,163.09

VENDORS

Permanent vendors added since last meeting:

Temporary vendors other than final bill or refund:

TowneBank	Virginia Beach, VA
Lane Memorial Methodist Church	Altavista, VA

Final Bills: (address available upon request):

Ann K. Perry	Jilliam Morcom
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No motion necessary since there were no permanent vendors added in January 2025.

D2. OPERATIONS REPORT

Mr. Pribble reviewed the statistical and operation reports for January 2025 which are on file in the Authority office.

Treatment at the Otter River Water Plant was up 0.3 percent compared to January 2024. Sales to the Town of Altavista have increased 33.3 percent from the previous year. Sales to the East System have decreased by 0.2 percent. Overall Central System retail sales have decreased 0.3 percent compared to January 2024. Usage in Naruna decreased 14.7 percent from the previous year. Total CCUSA water reflected a decrease of 0.5 percent to date in FY25 compared to FY24.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 7.8 percent compared to last January. Wastewater sent to the City of Lynchburg for treatment increased 2.3 percent when compared to last January. The overall result was an increase in wastewater treatment of 2.6 percent compared to last fiscal year.

There were 2 new connections serving 2 units for water and no new sewer customers in the month of January 2025 compared to 28 new water connections and 18 new sewer connections serving 28 and 18 units, respectively, in January 2024.

There were 84 disconnections for non-payment of bills in January compared to 71 in January 2024. There have been 90 more disconnections to date this fiscal year over last year which is an increase of 19.2 percent.

The Authority had 9,240 metered water connections serving 15,072 units and 3,283 sewer connections serving 5,936 units as of January 31, 2025.

There were 968 travel points during the month of January 2025, which was an average of 41 stops per workday. In response to a question raised by Mr. Richardson, there are not as many locates for fiber optic lines.

The Otter River was flowing at approximately 275 mgd on the meeting date and the record low for February 25th was 52 mgd in 2002. The median flow for February 25th is 220 mgd.

D3. ENGINEERING REPORT

The Construction Activities Report was reviewed and is on file in the Authority office.

80-2002 English Commons On-Site Water and Sewer

Authority staff has confirmed that the Contractor has completed the one remaining punch list item, so this project is ready to be capitalized. Authority staff will begin this process. *No change since the previous meeting.*

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner stated that he needs to issue a task order to Hurt & Proffitt to complete an as-built survey and record drawings so that this project can be finalized. *No change since the previous meeting.*

80-2009 Rustburg Middle School Water and Sewer improvements

Record drawings have been received and are under review. A file including final cost information has been received but the file is an unknown format. Mr. Wagner has requested the file again in a different format.

80-2105 Village Drive Patio Homes

Authority staff has received all necessary documents required and has reduced the bond held for this project. The Developer has temporarily paused construction because the market has slowed, but the Authority will hold a small bond in case there are any damages

to the water and sewer infrastructure, sewage cleanouts, or meter services when construction resumes. *No change from previous meeting.*

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

The pump station was commissioned on February 18, 2025 and it went smoothly. The pumps powered on smoothly and run very quietly and hit flow rate and head conditions almost perfectly. Mr. Wagner stated that Anderson Construction did a good job on this project. Authority staff will create a punch list over the next 30 days.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

This project was substantially complete in March 2024 and the final pay request from Counts & Dobyns has been paid. Once the record drawings are complete, Authority staff will begin closing this project. *No change from previous meeting.*

80-2206 Home2Suites Motel

Staff is working to finalize this project for acceptance into the Authority system. Mr. Wagner stated he will reach out to the County for information on incentives for this project. *No change from previous meeting.*

80-2212 Blue Ridge Commons – Section 2

The Developer has requested the Bond be released; however, Mr. Wagner stated there are items to be addressed for this project before the Bond can be released. Authority staff will reduce the Bond, leaving enough to cover expenses that may be incurred prior to project completion. *No change since the previous meeting.*

80-2208 The Allure – Section 1

The developer has resumed construction on this project following a brief pause due to the housing market slowing. Authority staff has reduced the bond being held on this project and will hold the reduced bond until all construction on-site is complete.

80-2215 Absolute Storage (Combined with Chick-fil-A)

Staff is working to finalize this project for acceptance into the Authority system. *No change from previous meeting.*

80-2101 Trent's Landing – Section 3

Revised record drawings have been received but need to be reviewed.

80-2309 The Allure – Section 2

The record drawings have been reviewed and returned to the design Engineer with minor comments.

80-2210 Leesville Road Apartments

Authority staff forwarded the punch list to the developer in October 2024; however, the Developer is working to resolve other issues that do not involve the Authority's portion of this project. The only part of this project that involves the Authority is the gravity line that runs beside the apartments. Mr. Wagner stated it will likely be spring 2025 before the Contractor is able to address the remaining punch list items

There is a private pump station onsite that will be decommissioned once the Martin Drive pump station is in service.

80-2307 Leesville Road Apartments – Off-Site Water Extension

The Bond for this project was reduced because the Contractor has completed the water and sewer portion of this project except for some punch list items. Mr. Wagner stated it will likely be spring 2025 before the Contractor is able to address the remaining punch list items. Authority staff is waiting on record drawings. The waterline extension has been placed in service and is working well. *No change from previous meeting.*

80-2310 Crescent Grove Subdivision

This project is progressing quickly. The Contractor is having some problems with the low-pressure force mains; the ball valves and check valves are not working properly. New check valves have been ordered. Once the sanitary sewer passes CCTV inspection, Authority staff will begin installing meters to the single-family houses that have been constructed.

80-2405 Brookville High School Water and Sewer improvements

The sanitary sewer and water portion of this project is complete. Mr. Marstin stated that the Contractor had to dig-up two sewer manholes. Concrete was accidentally poured over one of the manholes and the manhole was accidentally covered when the Contractor backfilled the sewer line. Mr. Marstin stated that the sprinkler system had not yet been installed as of the meeting date.

80-2406 Centra Rehabilitation Hospital and Behavioral Health Hospital

The Contractor installed just enough of the sanitary sewer to get passed the segmental retainer walls being built for the stormwater facility. Once this portion of the project is complete, the Contractor will begin construction of the waterline extensions under Simon's Run. Once the extension is complete, the water meters can be installed.

80-2304 Martin Drive Regional Wastewater System

The Authority now owns the property at the corner of Martin Drive and Chestnut Creek Drive to construct the pump station. The project was advertised for bid and a pre-bid meeting was held on Tuesday, February 25, 2025. Four reputable general contractors that have experience building wastewater pump stations attended the pre-bid meeting. Mr. Wagner warned that the cost of the components for a wastewater pump station has increased since the preliminary engineering estimate of probable cost was prepared over a year ago.

In response to a question raised by Mr. Richardson, a representative from Hurt & Proffitt confirmed that a screening of available databases showed no threatened or endangered species will affect construction for this project. Mr. Wagner stated that he has written confirmation of this opinion in the project file. Mr. Wagner stated that this information was shared at the pre-bid meeting and that the first priority will be to start clearing the property to prepare for construction.

80-2403 The Allure – Section 3

Master meters to serve the apartment buildings are in service. The plans for the development changed slightly and there will now be townhouses surrounding the apartments. The Contractor switched gears and has started constructing the townhouses around the apartments and is working to extend water and sewer infrastructure for the Authority. There will be a master meter for the apartments, but the townhouses will require individual meters.

80-2305 Augusta Springs – Phase 1

This is a development located near Yellow Branch Elementary School. There is air in the waterline which is keeping the line from passing the pressure and leakage test. In response to a question raised by Mr. Marstin, there is air in the lines because the line is constructed with a variable slope from Route 24 through the development which created high points. According to what the Contractor's Superintendent is telling the Mr. Greg Meese, the Authority's inspector, the waterline was planned to be buried a little deeper to allow for a storm sewer system; however, the storm sewer system is no longer planned, so the waterline is not being constructed as originally designed. The waterline is being constructed with some high spots in the line which has resulted in trapping some air in the line. There are a few fire hydrants being constructed, but they are not being constructed where they are needed because the design has changed. The Contractor will have to continue adding water to the line until the air pockets are remedied. Mr. Wagner stated this is the result of the Contractor having an approved design that was approved by more than one Engineer, but the Contractor is not building according to the project design. In

response to a question raised by Mr. Marstin, the Authority cannot assist in identifying where to place blowoffs in the line because the Contractor never gave the Authority revised drawings. In response to a statement made by Mr. Marstin, now would be the time to pothole the line since surface asphalt has not yet been placed. In response to a concern stated by Mr. Austin, Mr. Wagner stated that there will be taps in the line every few feet to place the meters that will serve the townhouses, so the line should not be a concern in the future. In response to a question raised by Mr. Marstin, the Authority has multiple projects going on simultaneously and only had one inspector for several months, so it is not possible to have an inspector on-site for an entire project.

The sanitary sewer has been flushed and the CCTV inspection has been scheduled.

80-2407 Augusta Springs – Phase 2

This phase of the project will front Route 24. The shop drawings have been approved, so Authority staff is just waiting for the Contractor to start construction on this phase of the project.

80-2411 Project Highview

This is an industrial development project located on Dearing Ford Road near the Altavista Walmart. This is basically a warehousing project. The Contractor has started grading and will eventually be extending the Authority's 16-inch waterline under Dearing Ford Road to a 12"x2" master meter. The master meter is this large due to fire flow requirements.

80-2306 Lynbrook Single-Family Residential

The Contractor has started working outside of the VDOT right-of-way because VDOT will now allow the Contractor to work in a VDOT right-of-way until the punch list items have been addressed for the Leesville Road Apartment Off-Site Waterline Extension.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Activities Calendar – On file in the Authority office.
2. Next Board Meeting – Tuesday, March 25th at 5:00 p.m.
3. Telework Report – On file in the Authority office.
4. Legislative Update – The legislative session adjourned on Saturday, February 22, 2025. There were a total of 2,527 bills and resolutions considered during the session. 380 Bills have passed to Governor Youngkin for his consideration. The session will reconvene on May 2, 2025. VWWAA, VMDWA and VAMWA held weekly calls to

update members on the status of bills of interest. There were a couple of bills the Authority was following.

House Bill 2407 (HB 2407) requires all waterworks to report to VDH within six hours of learning of any equipment failure or any “critical” event that poses a public health risk. This Bill has been passed along to Governor Youngkin for his approval. Mr. Wells stated that any likelihood to defeat this bill diminished when an event occurred in Richmond right at the beginning of the General Assembly. Mr. Wells stated that the current regulations require reporting within a 24-hour period and that six hours could be hard for staff to meet, especially while working to resolve the issue. This bill defines what is considered a public health risk and categories events between “negligence” and “gross negligence;” however, the bill does not define “critical.” Mr. Wells stated that he hopes there will be guidance from VDH on what is considered to be “critical.” This Bill will have an impact on the Authority’s operations and will create possible liability for notifying VDH in the amount of time allowed. Mr. Richardson suggested sending an e-mail to ODW with an example of what the Authority considers to be “critical” to request guidance. Mr. Wells stated that the VWWAA is planning their annual meeting and there was a directors’ meeting on February 25, 2025. The Directors plan to invite ODW to attend the meeting to clarify to the members’ association what will be considered “critical.”

Mr. Wells stated there is a bill that relates to procurement. This bill is problematic to the Authority during the competitive sealed bidding process for any project over \$250,000 because it would require Contractors to use 12.5 percent of the total labor hours from an approved apprenticeship program. Transportation projects are excluded from this requirement and there is a possibility that water utilities may be excluded, but this was uncertain as of the meeting date. In response to a question raised by Mr. Richardson, there may be an exception allowed if there is not a sufficient pool of apprenticeship programs in the area. This bill places the burden of proof with the utility to determine if there is an apprenticeship program available. All of the member associations are against this bill, but it has been passed along to Governor Youngkin. The member associations and utility member groups statewide have drafted a letter to speak against this bill, specifically to express that this bill will reduce the number of bidders on projects, and it is likely to increase the costs of projects. This letter will be signed by the Presidents of all the associations across Virginia. Mr. Lee stated that he is a member of the Associated General Contractors of Virginia (AGC) and the AGC along with other affected associations feel that the Governor is going to veto this bill, which means the same bill may come back in a future year. Mr. Wells stated the Utility associations feel the same way and that it may be better if the Governor amends the bill in a favorable way instead of vetoing the bill for it to come back in a future year.

5. Budget Committee Nomination – After discussion, Mr. Carter Elliott and Mr. Robert Lee will serve on the Budget Committee for the FY26 Budget.

E. BOARD ACTION ITEMS

None

F. MATTERS FROM THE BOARD

This time is to discuss any matters from the Board members.

F1. Distribution of Biosolids

Mr. Droog stated there was another article in the News & Advance in February 2025 about the spreading of biosolids and that this article connected PFAS to biosolids. Mr. Wagner stated that a majority of the Authority's wastewater goes to the Regional Wastewater Treatment Plant and there are three areas where they dispose of biosolids: one of them is land application, such is discussed in this article; one is the regional landfill, which may be going away; and the other is Maplewood landfill, which is located in Amelia County. Mr. Wagner stated that if two of these three options go away, disposing of biosolids will become more expensive and will affect the Authority's sewer rates from the City of Lynchburg. Mr. Richardson stated that biosolids will decompose and will either migrate into groundwater or will become a soil amendment. Mr. Richardson stated that land application results in minuscule water pollution.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Droog, that the Authority meeting be adjourned at 5:40 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this _____ day of _____, 2025, with _____ of _____ members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Agenda: Regular Meeting
March 25, 2025 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Mr. Don Austin – Chairman - called the meeting to order at _____ P.M.

A1. <u>MEMBERS</u>	<u>PRESENT</u>	<u>ABSENT</u>	<u>TIME ARRIVED</u>
Don Austin, Chairman	_____	_____	_____
James Marstin, Vice-Chairman	_____	_____	_____
Charlie Droog,	_____	_____	_____
Carter S. Elliott. Jr.	_____	_____	_____
Joe Kirkland	_____	_____	_____
Robert Lee, III	_____	_____	_____
Dan Richardson	_____	_____	_____

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Engineering Director
Josh Pribble, Operations Superintendent
Wendy Meese, Finance Director
April Farmer, Technology Coordinator

B. CITIZEN COMMENT

None expected

C. APPROVAL OF MINUTES

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the Minutes of the February 25, 2025 Board Meeting be approved.

ACTION: _____

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 6,296,920.29
Expenses:	\$ 4,323,304.49
Budgeted Capital:	\$ 1,884,000.00
Surplus/(Deficit) to date:	\$ 1,973,615.80/ \$ 89,615.80
Total "Unencumbered"	\$ 2,515,885.52
Bank Balance 2/28/25:	\$ 2,925,992.30
Investment Balance 2/28/25:	\$ 10,663,228.26
Combined Bank Balance 2/28/25:	\$13,589,220.56

VENDORS

Permanent vendors added since last meeting:

Temporary vendor: other than final bill or refund

EasiFile	Anaheim, CA
St. Andrew Presbyterian Church	Lynchburg, VA
FusionTek	Kirkland, WA

Final Bills: (address available upon request):

Gerald Cleveland	Ansley M. Steel
Keit Dang	Chris Watts
Carl G. Martin	

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the new vendor list for February 2025 be approved.

ACTION: _____

D2. OPERATIONS REPORT

The Operations Superintendent's report was distributed and is available at the office for review.

D3. ENGINEERING REPORT

The Construction Activities Report was distributed and is available at the office for review.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

E. BOARD ACTION ITEMS

None known as of packet mailing

F. MATTERS FROM THE BOARD

This time is to discuss any matters from the Board members.

H. ADJOURNMENT

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the Authority meeting be adjourned at _____ p.m.

ACTION: _____



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
March 25, 2025 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Mr. James Marstin – Vice-Chairman - called the meeting to order at 5:00 P.M.

A1. MEMBERS PRESENT

Don Austin, Chairman (absent – out of town)
James Marstin, Vice-Chairman
Charlie Droog,
Carter S. Elliott, Jr.
Joe Kirkland
Robert Lee, III
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison (left at 6:24 to attend County meeting)
Clif Tweedy, P.E., Deputy County Administrator (left at 6:24 to attend County meeting)
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Engineering Director
Josh Pribble, Operations Superintendent
Wendy Meese, SHRM-CP, Finance Director
April Farmer, Technology Coordinator
Todd Asselborn, P.E., Utilities Engineer

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Richardson made a motion, seconded by Mr. Droog, that the Minutes of the February 25, 2025 Board Meeting be approved.

ACTION: Approved 6-0, with Mr. Austin absent.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 6,296,920.29
Expenses:	\$ 4,323,304.49
Budgeted Capital:	\$ 1,884,000.00
Surplus/(Deficit) to date:	\$ 1,973,615.80/ \$ 89,615.80
Total "Unencumbered"	\$ 2,515,885.52
Bank Balance 2/28/25:	\$ 2,925,992.30
Investment Balance 2/28/25:	\$ 10,663,228.26
Combined Bank Balance 2/28/25:	\$13,589,220.56

VENDORS

Permanent vendors added since last meeting:

FusionTek	Kirkland, WA
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Temporary vendor: other than final bill or refund

EasiFile	Anaheim, CA
St. Andrew Presbyterian Church	Lynchburg, VA

Final Bills: (address available upon request):

Gerald Cleveland	Ansley M. Steel
Keit Dang	Chris Watts
Carl G. Martin	

MOTION: Mr. Droog made a motion, seconded by Mr. Elliott, that the new vendor list for February 2025 be approved.

ACTION: Approved 6-0, with Mr. Austin absent

D2. OPERATIONS REPORT

Mr. Pribble reviewed the statistical and operation reports for February 2025 which are on file in the Authority office.

Treatment at the Otter River Water Plant was down 0.4 percent compared to February 2024. Sales to the Town of Altavista have decreased 4.0 percent from the previous year.

Sales to the East System have decreased by 0.6 percent. Overall Central System retail sales have decreased 0.4 percent compared to February 2024. Usage in Naruna decreased 13.5 percent from the previous year. Total CCUSA water reflected a decrease of 0.6 percent to date in FY25 compared to FY24.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 11.9 percent compared to last February. Wastewater sent to the City of Lynchburg for treatment increased 2.5 percent when compared to last February. The overall result was an increase in wastewater treatment of 3.0 percent compared to last fiscal year.

There were 2 new connections serving 2 units for water and no new sewer customers in the month of February 2025 compared to 6 new water connections and 6 new sewer connections serving 11 and 8 units, respectively, in February 2024.

There were 42 disconnections for non-payment of bills in February compared to 82 in February 2024. Mr. Pribble stated that cut-off day was delayed by one week due to weather in the month of February 2025, resulting in fewer cut-offs since customers had an extra week to pay their bills. There have been 50 more disconnections to date this fiscal year over last year which is an increase of 9.1 percent.

The Authority had 9,242 metered water connections serving 15,074 units and 3,284 sewer connections serving 5,962 units as of February 28, 2025.

There were 955 travel points during the month of February 2025, which was an average of 42 stops per workday.

The Otter River was flowing at approximately 137 mgd on the meeting date and the record low for March 25th was 74 mgd in 2002. The median flow for March 25th is 228 mgd.

D3. ENGINEERING REPORT

The Construction Activities Report was distributed and is available at the office for review.

80-2002 English Commons On-Site Water and Sewer

Authority staff has confirmed that the Contractor has completed the one remaining punch list item, so this project is ready to be capitalized. Authority staff will begin this process. *No change since the previous meeting.*

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner stated that he needs to issue a task order to Hurt & Proffitt to complete an as-built survey and record drawings so that this project can be finalized. *No change since the previous meeting.*

80-2009 Rustburg Middle School Water and Sewer improvements

Record drawings have been received and are under review. A file including final cost information has been received but the file is an unknown format. Mr. Wagner has requested the file again in a different format. *No change from previous meeting.*

80-2105 Village Drive Patio Homes

Authority staff has received all necessary documents required and has reduced the bond held for this project. The Developer has temporarily paused construction because the market has slowed, but the Authority will hold a small bond in case there are any damages to the water and sewer infrastructure, sewage cleanouts, or meter services when construction resumes. *No change from previous meeting.*

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

The pump station is in service and can receive flow from the townhouses that have been constructed in the Yellow Branch Subdivision. The Contractor is working on the punch list.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

The gravity sewer and the forcemain that feed the Yellow Branch Development and the wastewater pump station are live. Authority staff needs to let Hurt & Proffitt know the project is ready for record drawings to be created.

80-2206 Home2Suites Motel

Staff is working to finalize this project for acceptance into the Authority system. Mr. Wagner stated he will reach out to the County for information on incentives for this project. *No change from previous meeting.*

80-2212 Blue Ridge Commons – Section 2

The Developer has requested the Bond be released; however, Mr. Wagner stated there are items to be addressed for this project before the Bond can be released. Authority staff will reduce the Bond, leaving enough to cover expenses that may be incurred prior to project completion. *No change since the previous meeting.*

80-2208 The Allure – Section 1

The developer has resumed construction on this project following a brief pause due to the housing market slowing. Authority staff has reduced the bond being held on this project

and will hold the reduced bond until all construction on-site is complete. *No change since the previous meeting.*

80-2215 Absolute Storage (Combined with Chick-fil-A)

Staff is working to finalize this project for acceptance into the Authority system. *No change from previous meeting.*

80-2101 Trent's Landing – Section 3

Revised record drawings have been received but need to be reviewed. *No change since the previous meeting.*

80-2309 The Allure – Section 2

The record drawings have been reviewed and returned to the design Engineer with minor comments. *No change since the previous meeting.*

80-2210 Leesville Road Apartments

Authority staff forwarded the punch list to the developer in October 2024; however, the Developer is working to resolve other issues that do not involve the Authority's portion of this project. The only part of this project that involves the Authority is the gravity line that runs beside the apartments. Mr. Wagner stated it will likely be spring 2025 before the Contractor is able to address the remaining punch list items

There is a private pump station onsite that will be decommissioned once the Martin Drive pump station is in service. *No change since the previous meeting.*

80-2307 Leesville Road Apartments – Off-Site Water Extension

The Bond for this project was reduced because the Contractor has completed the water and sewer portion of this project except for some punch list items. Mr. Wagner stated it will likely be spring 2025 before the Contractor is able to address the remaining punch list items. Authority staff is waiting on record drawings. The waterline extension has been placed in service and is working well. *No change from previous meeting.*

80-2310 Crescent Grove Subdivision

The Contractor is moving from Phase 1 to Phase 2. Mr. Wagner had reported in previous months that the low-pressure force mains were not passing testing, it was found that the Contractor had attempted to use fittings that were not approved through the shop drawing process.

In response to a question raised by Mr. Richardson, this is the Contractor's first time constructing a low-pressure forcemain system, so the Contractor has struggled a little.

80-2405 Brookville High School Water and Sewer improvements

Record drawings have been received for review. Mr. Clif Tweedy stated that he had a conversation with the Contractor and advised them to contact Mr. Wagner to determine what information was needed to close the project. Authority staff needs AIA forms, final costs, and to review the record drawings before this project can be closed. Mr. Tweedy stated that he follows up every month to move the Contractor along with gathering information.

80-2406 Centra Rehabilitation Hospital and Behavioral Health Hospital

The Contractor installed just enough of the sanitary sewer to get past the segmental block retaining walls being built for the stormwater facility. Once this portion of the project is complete, the Contractor will begin construction of the waterline extensions under Simon's Run. Once the extension is complete, the water meters will be installed.

80-2304 Martin Drive Regional Wastewater System

Bids were received on March 11, 2025. The pump station includes 125-horsepower duplex, submersible pumps. The lowest bid received was \$2.251 million. This amount is 24 percent higher than the engineer's opinion of probable cost (EPOC) calculated in January 2024.

Mr. Wagner stated that accepting the bid is not an action item for the Board for the March meeting because Camden Village, LLC (Camden Village) has not confirmed it will fund 74 percent of the project cost as was agreed in June 2024. Mr. Wagner stated he feels Camden Village is hesitant to sign the updated agreement because the actual bid price is higher than the original EPOC. The agreement will not be ready for Board approval until Camden Village agrees in writing to honor their agreed upon percentage of the project cost. In response to a question raised by the Board, Camden Village does not have to post a bond or letter of credit until the notice of award. There is no surety until the Authority issues Notice of Award on either the pump station, the twin pipes from the pump station to Farfields Drive, or Camden Village starts laying the twin pipes through their property.

In response to a question raised by Mr. Richardson, the agreement that Camden Village signed in June 2024 stated that construction costs are subject to fluctuations, but the percentages will remain the same, regardless of the amount of the bid. Mr. Wagner stated that the Authority will not move forward with the project at this time if Camden Village does not honor their June 2024 agreement. In response to a question raised by Mr. Lee, the Authority will need this pump station eventually, but could wait a few years before constructing it. The catalyst for this project was the proposed project for Camden Village.

To date, the Authority has only paid engineering expenses for design, a few easements, and has purchased the property for the pump station. All the items that have been paid for can be used later when the pump station is constructed. Mr. Wagner is optimistic that

Camden Village will honor their original agreement. Mr. Wagner shared the bid documentation with Camden Village representatives and invited them to share the information with their design consultant. In response to a question raised by Mr. Marstin, the items included in the bid are required to meet Authority standards and DEQ regulations, and Camden Village or their consultants will not be able to eliminate these requirements from the scope of work.

The Authority had originally included expenses to bring an existing groundwater well back into service. This groundwater well would be used to wash down pumps when they are extracted from the wet well, but Authority staff eliminated the bid items associated with using the groundwater well and therefore reduced overall project cost by approximately \$100,000. Authority staff could come back later and reactivate that well. All other bid items are essential to the project and cannot be eliminated.

It is hoped an agreement can be reached and will be brought to the Board for execution at the April Board meeting.

80-2403 The Allure – Section 3

A master meter to serve the apartment buildings is in service. The plans for the development changed slightly and there will now be townhouses surrounding the apartments. The Contractor switched gears and will construct townhouses around the apartments and is working to extend water and sewer infrastructure for the Authority. There will be a master meter for the apartments, but the townhouses will require individual meters. *No change since the previous meeting.*

80-2305 Augusta Springs – Phase 1

This is a development located near Yellow Branch Elementary School. There is air in the waterline which is keeping the line from passing the pressure and leakage test. In response to a question raised by Mr. Marstin, there is air in the lines because the line is constructed with a variable slope from Route 24 through the development which created high points. According to what the Contractor's Superintendent is telling Mr. Greg Meese, the Authority's inspector, the waterline was planned to be buried a little deeper to allow for a storm sewer system; however, the storm sewer system is no longer planned, so the waterline is not being constructed as originally designed. The waterline is being constructed with some high spots in the line which has resulted in trapping some air in the line. There are a few fire hydrants being constructed, but they are not being constructed where they are needed because the design has changed. The Contractor will have to continue adding water to the line until the air pockets are remedied. Mr. Wagner stated this is the result of the Contractor having an approved design but not building according to the approved design. In response to a question raised by Mr. Marstin, the Authority cannot assist in identifying where to place blowoffs in the line because the Contractor never gave the Authority revised drawings. In response to a statement made by Mr. Marstin, now would be the time to pothole the line since surface asphalt has not yet been placed. In response to a concern stated by Mr. Austin, Mr. Wagner stated that there will be taps in the line every few feet to place the meters that will serve the townhouses, so the line should not be a concern in the future. In response to a question raised by Mr. Marstin, the Authority has multiple projects going on simultaneously and only had one inspector for several months, so it is not possible to have an inspector on-site for an entire project.

The sanitary sewer has been flushed and the CCTV inspection has been scheduled. *No change since the previous meeting.*

80-2407 Augusta Springs – Phase 2

This phase of the project will front Route 24. The shop drawings have been approved, so Authority staff is just waiting for the Contractor to start construction on this phase of the project. *No change since the previous meeting.*

80-2411 Project Highview

The Contractor has started grading and will eventually be extending the Authority's 16-inch waterline under Dearing Ford Road to a 12"x2" master meter. Authority staff is working to review the revised set of shop drawings. The Authority has ordered the master meter.

80-2306 Lynbrook Single-Family Residential

This is an infill subdivision located near Hyland Springs. The Contractor has started installing sanitary sewer and waterlines.

General: Wawa near Food Lion on Route 29

In response to a question raised by Mr. Marstin, the Authority's work was limited to site prep on this project. The meter has been set and Authority staff will activate it as soon as the Contractor requests it. There is a backflow preventor in place. There will be a groundbreaking on April 1, 2025.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Activities Calendar – Reviewed and is on file in the Authority office.
2. Next Board Meeting – Tuesday, April 22nd at 5:00 p.m.
3. Telework Report – Reviewed and is on file in the Authority office.
4. Legislative Update – Bills are pending review and action by the Governor by April 2, 2025. Mr. Wells stated there is nothing new on the two bills related to reporting to VDH and construction apprentice programs that the Authority is monitoring.
5. Knollwoods Subdivision – Hurt & Proffitt has been working on the Preliminary Engineering Report (PER) and plans to have a draft for Authority review and comment

before the end of March 2025. Mr. Wells stated the PER will be shared with the Board prior to finalizing the report.

6. Summary of Regional Rates & Fees – The annual summary of updated rates and fees from neighboring localities was reviewed and is on file in the Authority office.

The 2024 Water and Wastewater Rate Report was presented for the Board's review, consideration, questions, and comments. The following eight entities were compared in this analysis: the Town of Altavista, **Amherst County Service Authority**, the Town of Amherst, the Town of Appomattox, **Bedford Regional Water Authority**, the Town of Brookneal, the City of Lynchburg, and **Campbell County Utilities and Service Authority**. Mr. Wells noted that some of the entities are possibly subsidized by General Fund Revenue, so the comparison is concentrated on entities that depend solely on rates and charges (these entities are signified by bold print above.)

When comparing overall recurring water and sewer fees (base charge and usage rate), there were three entities with monthly charges lower than the Authority; however, all three of these entities are possibly subsidized with General Fund Revenue. Of the entities that rely solely on rates and charges, CCUSA charges the lowest monthly fees.

When comparing sewer commodity rates only, the Authority had the third lowest rates; the Town of Brookneal and the Town of Altavista had lower sewer commodity rates than the Authority. When rates were compared last year, the Town of Amherst was lower than the Authority; however, the Town of Amherst is now \$10.99 higher per month than the Authority when isolating sewer rates. Some of the entities that are possibly subsidized by General Fund Revenue charged more monthly than the Authority. The City of Lynchburg's sewer rates are \$4.87 higher per month than the Authority. The Authority is working to slowly increase sewer rates so that water revenue is no longer subsidizing sewer expenses.

The Authority increased Water and Sewer Connection Fees as well as Water and Sewer Capital Recovery Fees in FY25. The only entity that is higher than the Authority is Bedford Regional Water Authority. Even with the recent increase, the Authority is still not covering the cost of materials in Connection Fees alone. The Authority is the only entity that charges a Sewer Capacity Fee. Funds collected for the Sewer Capacity Fee will be used to offset the cost of increasing capacity in the Lynchburg Regional Wastewater Treatment Plant and throughout interceptors in the City of Lynchburg. This fund will also be used to offset future sewer infrastructure costs. Prior to FY25, the Authority's last water and sewer Capital Recovery Fee and Connection Fee increases were January 1, 2010.

When comparing a 10-year period of initial fees and 10 years of usage at the current commodity rate for residential or a small business such as a fast-food restaurant, the Authority is more expensive from the initial fees and becomes more affordable than the other two service authorities (Bedford and Amherst). By the end of four years, the Authority is less expensive than Bedford Regional Water Authority (BRWA) and Amherst County Service Authority (ACSA), and by the end of ten years, is less expensive than the Town of Appomattox. When comparing a sit-down restaurant, the Authority is the highest in the first few years because of the initial fees, but the Authority becomes cheaper than BRWA and ACSA in year 9. When comparing industrial entities, the Authority is again the most expensive in the initial years but becomes cheaper than BRWA and ACSA in year 8.

Informational

7. Inventory/Maintenance Specialist – Mr. James Pribble, the Authority’s part-time Inventory/Maintenance Specialist, resigned on March 4, 2025. In response to a question raised by Mr. Marstin, Mr. James Pribble worked for the Authority as the Chief WTP Operator prior to his retirement in 2022. Mr. James Pribble was hired as the Authority’s part-time Inventory/Maintenance Specialist approximately 8 months after his retirement. Mr. James Pribble left his part-time position to work full-time for BWXT.

As outlined in the Authority’s organizational and staffing analysis we will eliminate this position and utilize the savings to partially fund the proposed new positions for FY26.

8. Budget Discussion – The FY26 Budget was reviewed. Ms. Meese thanked Mr. Elliott and Mr. Lee for their time reviewing the FY26 Budget requests.

Overall expenses only increased 1 percent compared to the FY25 Budget. A 3 percent cost-of-living increase was requested in addition to 6 employees that have reached longevity steps.

No changes in rates and fees were recommended by Authority staff.

In response to a question raised by Mr. Kirkland, Ms. Meese will research the amount the City of Lynchburg is charging per unit for sewer treatment and how that amount has changed over the last three years.

In response to a question raised by Mr. Cline, Mr. Wells stated that he and Mr. Wagner are researching the implementation of an out-of-county rate. Staff does not want the new policy to have a negative impact on the Authority’s few out of county residential customers. So far, research indicated the out-of-county rate will be around 1.5 or 2 times the existing rate. Mr. Cliff Tweedy stated that a public hearing will not be required if the rate does not impact current customers.

Mr. Wells discussed Reserves and stated that he would like to see more money placed in the “Reserves” category at the end of each fiscal year, depending on the surplus calculated for that year. In response to a question raised by Mr. Marstin, the name of the Reserves for Long-Term Capital Projects. The Reserves will be used to offset future infrastructure to reduce the amount the Authority has to finance.

The FY26 budget included expenses for three new positions as discussed during the August 2024 Workshop. The three positions are: a Field Operations Deputy Director, which will assist in supervising the Maintenance Department while also serving as the Wastewater Plant Supervisor; an Office Support Specialist, which will primarily assist with Customer Service and possibly the Finance/Human Resources Department; a GIS person that will assist Ms. Farmer which will reduce the amount of work the Authority is currently contracting out. The elimination of the Inventory/Maintenance Specialist will offset some of the costs of the new positions. In response to a question raised by Mr. Marstin, Mr. Elliott stated he would like to go into Closed Session to discuss personnel budget requests further.

All information on the budget is on file in the Authority office.

E. BOARD ACTION ITEMS

E1. Extension Agreement – Trent's Landing Subdivision – Section 4

This is an Agreement between the Authority and CS Custom Structures, Inc. for water and sanitary sewer extensions to serve Trent's Landing Subdivision – Section 4. The project includes approximately 2,684 linear feet of watermain and approximately 3,304 linear feet of on-site gravity sewer. This development includes 51 single family residential properties.

The Owner has paid plan review fees. CCUSA will invoice the Owner for inspection fees for 51 residential water meters as soon as the Agreement is fully executed. The Owner has delivered a digital copy of the bond. The hard copy of the bond is expected to be delivered before the end of business on March 28, 2025.

MOTION: Mr. Droog made a motion, seconded by Mr. Kirkland, to authorize the Chairman to execute the extension agreement with CS Custom Structures, Inc. for water and sanitary sewer extensions to serve the Trent's Landing Subdivision – Section 4 pending receipt of a hard copy of an acceptable Bond.

ACTION: Approved 6-0, with Mr. Austin absent

F. MATTERS FROM THE BOARD

This time is to discuss any matters from the Board members.

F1. CLOSED SESSION

MOTION: Mr. Droog made a motion, seconded by Mr. Elliott, that the Board convene in a Closed Meeting at 6:27 P. M. to discuss personnel issues. The closed session was held in accord with §2.2-3711.A. (1) of the Code of Virginia.

Upon returning to open session at 6:42 P. M., the following certification was adopted:

MOTION: Mr. Richardson made a motion, seconded by Mr. Elliott, that the following certification be approved:

CERTIFICATION OF CLOSED MEETING

WHEREAS, the Campbell County Utilities and Service Authority has convened a closed meeting on March 25, 2025, pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, §2.2-3712 of the Code of Virginia requires a certification by this Authority Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Campbell County Utilities and Service Authority hereby certifies, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed

in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Campbell County Utilities and Service Authority.

VOTE:

AYES: Marstin, Droog, Elliott, Kirkland, Lee, Richardson

NAYS: None

ABSENT DURING VOTE: Austin

ABSENT DURING MEETING: Austin

Following the closed session, the following motion was presented:

MOTION: Mr. Droog made a motion, seconded by Mr. Richardson, that the FY26 Budget be approved as presented including a 3 percent cost of living increase and a step increase to the six employees to receive step increases.

ACTION: Approved 6-0, with Mr. Austin absent.

H. **ADJOURNMENT**

MOTION: Mr. Elliott made a motion, seconded by Mr. Droog, that the Authority meeting be adjourned at 6:46 p.m.

ACTION: Approved 6-0, with Mr. Austin absent

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this _____ day of _____, 2025, with _____ of _____ members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Agenda: Regular Meeting
April 22, 2025 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Mr. Don Austin – Chairman - called the meeting to order at _____ P.M.

A1. <u>MEMBERS</u>	<u>PRESENT</u>	<u>ABSENT</u>	<u>TIME ARRIVED</u>
Don Austin, Chairman	_____	_____	_____
James Marstin, Vice-Chairman	_____	_____	_____
Charlie Droog,	_____	_____	_____
Carter S. Elliott. Jr.	_____	_____	_____
Joe Kirkland	_____	_____	_____
Robert Lee, III	_____	_____	_____
Dan Richardson	_____	_____	_____

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Engineering Director
Josh Pribble, Field Operations Director
Wendy Meese, Finance Director
April Farmer, Technology Coordinator
Todd Asselborn, P.E., Utility Engineer

B. CITIZEN COMMENT

None expected

C. APPROVAL OF MINUTES

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the Minutes of the March 25, 2025 Board Meeting be approved.

ACTION: _____

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 7,111,123.78
Expenses:	\$ 4,908,373.46
Budgeted Capital:	\$ 1,884,000.00
Surplus/(Deficit) to date:	\$ 2,202,750.32/ \$ 318,750.32
Total "Unencumbered"	\$ 2,709,858.95
Bank Balance 3/31/25:	\$ 3,054,903.39
Investment Balance 3/31/25:	\$ 10,699,181.94
Combined Bank Balance 3/31/25:	\$13,754,085.33

VENDORS

Permanent vendors added since last meeting:

ABRAM Group, LLC	Evington, VA	(Martin Drive easement)
Patrick Hinckley	Lynchburg, VA	(Martin Drive Easement)
Todd Asselborn	CCUSA employee	

Final Bills: (address available upon request):

Steven A. Trent	Thomas E. Williams
Tamara B. Chase	Jacob P. Beasley

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the new vendor list for March 2025 be approved.

ACTION: _____

D2. OPERATIONS REPORT

The Operations Superintendent's report was distributed and is available at the office for review.

D3. ENGINEERING REPORT

The Construction Activities Report was distributed and is available at the office for review.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

E. BOARD ACTION ITEMS

E1. Martin Drive Regional Wastewater Project – Contract A – Wastewater Pump Station.

The Authority took bids on the Martin Drive Regional Wastewater Project – Contract A – Wastewater Pump Station on March 11, 2025. Only one bid was received: an apparent low base bid of \$2,251,541.00 from Anderson Construction, Inc. This is 29% above the January 2024 Engineer's Opinion of Probable Cost, so we continue to see the cost of water and wastewater construction increase. Note that four prospective bidders attended the mandatory pre-bid meeting, and that the Advertisement was sent to 1,475 invited suppliers via Virginia's eVA procurement website. The project was also publicly posted on the Authority website, Hurt & Proffitt website, Dodge Plan Room, and Valley Construction News.

Authority staff has identified \$73,550.00 in value engineering reductions that will bring the contract amount down to \$2,179,991.00. Anderson Construction has agreed to the value engineering reductions. Authority staff also met with Camden Village, LLC and their engineering consultant, Perkins & Orrison on April 10, 2025, to discuss the bid and the May 28, 2024, Sanitary Sewer Extension Agreement. A result of this meeting was an email dated April 15, 2024, where Camden Village agrees to their share of 74% funding for the project. As such, Camden Village, LLC will fund \$1,613,193.34 of the construction cost and the Authority will fund \$566,797.66 for the construction cost. The Authority will use ARPA funding for its portion of the construction cost.

Authority staff recommends that the Board award the construction contract for Martin Drive Regional Wastewater Project – Contract A – Wastewater Pump Station to Anderson Construction, Inc. in the amount of \$2,179,991.00.

MOTION: _____ made a motion, seconded by _____, to award the Construction Contract for Martin Drive Regional Wastewater Project – Contract A – Wastewater Pump Station to Anderson Construction, Inc. in the amount of \$2,179,991.00.

F. MATTERS FROM THE BOARD

This time is to discuss any matters from the Board members.

H. ADJOURNMENT

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the Authority meeting be adjourned at _____ p.m.

ACTION: _____



C

CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
April 22, 2025 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Mr. Don Austin – Chairman - called the meeting to order at 5:00 P.M.

A1. MEMBERS PRESENT

Don Austin, Chairman
James Marstin, Vice-Chairman
Charlie Droog,
Carter S. Elliott, Jr.
Joe Kirkland (via teleconference)
Robert Lee, III
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Josh Pribble, Field Operations Director
Wendy Meese, Finance Director
April Farmer, Technology Coordinator
Tim Wagner, P.E., Engineering Director (absent – meeting with Campbell County)

B. CITIZENS PRESENT

Ms. Jennifer Elliott

C. APPROVAL OF MINUTES

MOTION: Mr. Droog made a motion, seconded by Mr. Elliott, that the Minutes of the March 25, 2025 Board Meeting be approved.

ACTION: Approved 6-0-1, with Mr. Austin abstaining from the vote due to his absence at the March meeting.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 7,111,123.78
Expenses:	\$ 4,908,373.46
Budgeted Capital:	\$ 1,884,000.00
Surplus/(Deficit) to date:	\$ 2,202,750.32/ \$ 318,750.32
Total "Unencumbered"	\$ 2,709,858.95
Bank Balance 3/31/25:	\$ 3,054,903.39
Investment Balance 3/31/25:	\$ 10,699,181.94
Combined Bank Balance 3/31/25:	\$13,754,085.33

Ms. Meese stated that Campbell County has made their final payment for the 2004 Bond that financed the Leesville Road Waterline Extension Project. The Authority will continue to forward all Aid-to-Construction Fees collected in the Leesville Road Billing Area as well as 20 percent of the usage fees from the Leesville Road Billing Area to Campbell County at the end of each fiscal year until the Bond payments are reimbursed to the County, approximately another \$476,000. The Authority sent approximately \$44,000 to the County at the end of FY24.

In response to a question raised by Mr. Kirkland at the March 2025 Board Meeting, the sewer rate the Authority is paying the City of Lynchburg has increased approximately \$0.50, or 33 percent, over the past two years. This amount is the usage fees only and does not include the annual Capital Loan Payment of approximately \$55,000 or the "PayGo" capital payments that are made each year. The "PayGo" payments have fluctuated from \$40,000 to \$267,000 in previous years. Representatives from the City of Lynchburg give Authority staff an estimate what the PayGo amount will be each year to be included in the Authority Budget, but some years the estimates have not been accurate.

VENDORS

Permanent vendors added since last meeting:

ABRAM Group, LLC	Evington, VA	(Martin Drive easement)
Patrick Hinckley	Lynchburg, VA	(Martin Drive Easement)
Todd Asselborn	CCUSA employee	

Final Bills: (address available upon request):

Steven A. Trent	Thomas E. Williams
Tamara B. Chase	Jacob P. Beasley

MOTION: Mr. Droog made a motion, seconded by Mr. Richardson, that the new vendor list for March 2025 be approved.

ACTION: Approved Unanimously.

D2. OPERATIONS REPORT

Mr. Pribble reviewed the statistical and operation reports for March 2025 which are on file in the Authority office.

Treatment at the Otter River Water Plant was down 0.1 percent compared to March 2024. Sales to the Town of Altavista have decreased 4.2 percent from the previous year. Sales to the East System have decreased by 1.1 percent. Overall Central System retail sales have increased 1.1 percent compared to March 2024. Usage in Naruna decreased 7.1 percent from the previous year. Total CCUSA water reflected only a slight change from the previous year of 121,044 gallons, to date in FY25 compared to FY24.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 10.9 percent compared to last March. Wastewater sent to the City of Lynchburg for treatment increased 4.7 percent when compared to last March. The overall result was an increase in wastewater treatment of 5.0 percent compared to last fiscal year.

There were 26 new water connections serving 26 units for water and 19 new sewer connections serving 19 units for sewer in the month of March 2025 compared to 13 new water connections and 8 new sewer connections serving 21 and 14 units, respectively, in March 2024.

There were 71 disconnections for non-payment of bills in March compared to 87 in March 2024. There have been 34 more disconnections to date this fiscal year over last year which is an increase of 5.3 percent.

The Authority had 9,268 metered water connections serving 15,100 units and 3,303 sewer connections serving 5,981 units as of March 31, 2025.

There were 990 travel points during the month of March 2025, which was an average of 39 stops per workday.

The Otter River was flowing at approximately 130 mgd on the meeting date and the record low for April 22nd was 78 mgd in 1966. The median flow for April 22nd is 204 mgd.

D3. ENGINEERING REPORT

The Construction Activities Report was distributed and is available at the office for review.

80-2002 English Commons On-Site Water and Sewer

Authority staff has confirmed that the Contractor has completed the one remaining punch list item, so this project is ready to be capitalized. Authority staff will begin this process. *No change since the previous meeting.*

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner stated that he needs to issue a task order to Hurt & Proffitt to complete an as-built survey and record drawings so that this project can be finalized. *No change since the previous meeting.*

80-2009 Rustburg Middle School Water and Sewer improvements

Record drawings have been received and are under review. A file including final cost information has been received but the file is an unknown format. Mr. Wagner has requested the file again in a different format. *No change from previous meeting.*

80-2105 Village Drive Patio Homes

Authority staff has received all necessary documents required and has reduced the bond held for this project. The Developer has temporarily paused construction because the market has slowed, but the Authority will hold a small bond in case there are any damages to the water and sewer infrastructure, sewage cleanouts, or meter services when construction resumes. *No change from previous meeting.*

80-2201 Yellow Branch Mixed Use Development – Wastewater Pump Station

The pump station is in service and can receive flow from the townhouses that have been constructed in the Yellow Branch Subdivision. The Contractor is working on the punch list.

80-2202 Yellow Branch Mixed Use Development – Gravity Sewer and Force Main

The gravity sewer and the forcemain that feed the Yellow Branch Development and the wastewater pump station are live. Authority staff needs to let Hurt & Proffitt know the project is ready for record drawings to be created. *No change from previous meeting.*

80-2206 Home2Suites Motel

Staff is working to finalize this project for acceptance into the Authority system. Mr. Wagner stated he will reach out to the County for information on incentives for this project. *No change from previous meeting.*

80-2212 Blue Ridge Commons – Section 2

The Developer has requested the Bond be released; however, Mr. Wagner stated there are items to be addressed for this project before the Bond can be released. Authority staff will reduce the Bond, leaving enough to cover expenses that may be incurred prior to project completion. *No change since the previous meeting.*

80-2208 The Allure – Section 1

The developer has resumed construction on this project following a brief pause due to the housing market slowing. Authority staff has reduced the bond being held on this project

and will hold the reduced bond until all construction on-site is complete. *No change since the previous meeting.*

80-2215 Absolute Storage (Combined with Chick-fil-A)

Staff is working to finalize this project for acceptance into the Authority system. *No change from previous meeting.*

80-2101 Trent's Landing – Section 3

Revised record drawings have been received but need to be reviewed. *No change since the previous meeting.*

80-2309 The Allure – Section 2

The record drawings have been reviewed and returned to the design Engineer with minor comments. *No change since the previous meeting.*

80-2210 Leesville Road Apartments

Authority staff forwarded the punch list to the developer in October 2024; however, the Developer is working to resolve other issues that do not involve the Authority's portion of this project. The only part of this project that involves the Authority is the gravity line that runs beside the apartments. Mr. Wagner stated it will likely be spring 2025 before the Contractor is able to address the remaining punch list items

There is a private pump station onsite that will be decommissioned once the Martin Drive pump station is in service. *No change since the previous meeting.*

80-2307 Leesville Road Apartments – Off-Site Water Extension

The Bond for this project was reduced because the Contractor has completed the water and sewer portion of this project except for some punch list items. Mr. Wagner stated it will likely be spring 2025 before the Contractor is able to address the remaining punch list items. Authority staff is waiting on record drawings. The waterline extension has been placed in service and is working well. *No change from previous meeting.*

80-2310 Crescent Grove Subdivision

The Contractor is moving from Phase 1 to Phase 2. Mr. Wagner had reported in previous months that the low-pressure force mains were not passing testing, it was found that the Contractor had attempted to use fittings that were not approved through the shop drawing process.

In response to a question raised by Mr. Richardson, this is the Contractor's first time constructing a low-pressure forcemain system, so the Contractor has struggled a little. *No change from previous meeting.*

80-2405 Brookville High School Water and Sewer improvements

Record drawings have been received for review. Mr. Clif Tweedy stated that he had a conversation with the Contractor and advised them to contact Mr. Wagner to determine what information was needed to close the project. Authority staff needs AIA forms, final costs, and to review the record drawings before this project can be closed. Mr. Tweedy stated that he follows up every month to move the Contractor along with gathering information. *No change from previous meeting.*

80-2406 Centra Rehabilitation Hospital and Behavioral Health Hospital

The Contractor installed just enough of the sanitary sewer to get past the segmental block retaining walls being built for the stormwater facility. Once this portion of the project is complete, the Contractor will begin construction of the waterline extensions under Simon's Run. Once the extension is complete, the water meters will be installed. *No change from previous meeting.*

80-2304 Martin Drive Regional Wastewater System

Mr. Wells stated that Camden Village, LLC (Camden Village) has confirmed it will fund their share of the project cost as was agreed in June 2024.

This item will be discussed further in Item E1.

80-2403 The Allure – Section 3

A master meter to serve the apartment buildings is in service. The plans for the development changed slightly and there will now be townhouses surrounding the apartments. The Contractor switched gears and will construct townhouses around the apartments and is working to extend water and sewer infrastructure for the Authority. There will be a master meter for the apartments, but the townhouses will require individual meters. *No change since the previous meeting.*

80-2411 Project Highview

The Contractor has started grading and will eventually be extending the Authority's 16-inch waterline under Dearing Ford Road to a 12"x2" master meter. Authority staff is working to review the revised set of shop drawings. The Authority has ordered the master meter. *No change since the previous meeting.*

80-2306 Lynbrook Single-Family Residential

This is an infill subdivision located near Hyland Springs. The Contractor has started installing sanitary sewer and waterlines. *No change since the previous meeting.*

80-2501 Holiday Inn Express – Wards Road

This project is under construction.

80-2305 and 80-2407 Augusta Springs – Phases 1 & 2

The Contractor is working diligently on both phases.

80-2506 Timberlake Church Sewer Extension

In response to a question raised by Mr. Droog, the church installed an on-site pump station a few years ago that has addressed some of the sewage drainage issues the church was having. This project is a gravity sewer extension from the church to the exiting gravity sewer that flows to Braxton Park wastewater pump station. This allows the church to abandon their connection to the gravity sewer that flows to the Whitestone Village wastewater pump station.

81-2524 Seneca Park Lot B

In response to a question raised by Mr. Austin this project is pending, waiting to see if Campbell County will receive a grant to extend a 12-inch waterline to the end of the cul-de-sac as well as installation of gravity sewer. Mr. Tim Wagner is currently at a meeting at the proposed project site. In response to a question raised by Mr. Marstin, the infrastructure should be placed to avoid a delay when there is an interested party of the industrial park. Mr. Clif Tweedy stated that the County has received several inquiries about the available lots in Seneca Park; however, there are several lots that do not currently have public water and sewer service. Extension of public infrastructure to the industrial park will also allow for extension of service into 138-acre lot in the cul-de-sac that Campbell County recently rezoned for future industrial development.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

1. Activities Calendar – Reviewed and is on file in the Authority office.
2. Next Board Meeting – Tuesday, May 27th at 5:00 p.m.

3. Telework Report – The report on teleworking activities during the previous month was reviewed and is on file in the Authority office.
4. Legislative Update – Mr. Wells gave a final update on Bills the Authority had been following. The bill shortening the time allowed for Reporting to VDH passed with amendment by Governor. The current time allowed to report an emergency to the VDH is 24 hours. The proposed bill reduced the time allowed to report an emergency to 6 hours. Authority staff was concerned about the time being reduced to 6 hours, but the Governor shortened the amount of time allowed to 2 hours. Authority staff is waiting for guidance from VDH regarding this bill. Authority staff will have to take time away from resolving the emergency to report the emergency to VDH to remain in compliance. In response to a question raised by Mr. Richardson, what qualifies as a reportable emergency still has not been clearly defined. This bill goes into effect July 1, 2025.

The Bill requiring Construction Apprentice positions was vetoed.

5. Knoll Woods/Ivy Acres Subdivision – Hurt & Proffitt has completed a draft engineering report and staff has forwarded comments back to Hurt & Proffitt. Two options were evaluated, the first option is extending a waterline down Candler's Mountain Road. The second option is to rehabilitate the existing groundwater system. The estimate for option #1 is \$8,016,815 and the estimate for option #2 is \$4,733,259. Both options include replacing all waterlines within the Knoll Woods and Ivy Acres communities as well as installing Authority water meters. Mr. Wells stated there is more potential for future development if the Authority can pursue the first option. Mr. Tweedy stated that Authority staff should perform research to see how many potential new connections would be possible with an extension down Candler's Mountain Road in option 1.

In response to a question raised by Mr. Richardson, one of the revisions requested by Authority staff is for easement access to maintain Authority equipment and infrastructure. Along Knoll Woods is a VDOT maintained road with right-of-way, so access to the infrastructure should not be an issue. The well house and treatment building are property of the current owner, so Authority staff has requested either ownership of the well house be transferred to the Authority or that the current owner grant a long-term easement to the well house. Ivy Acres is considered private property, so the Authority would need to gain easement access to all the lines within Ivy Acres.

In response to a question raised by Mr. Richardson, the current owner will continue to run the mobile home park (Ivy Acres) but will no longer operate water treatment to serve the mobile home park or Knoll Woods communities.

Once Authority comments are addressed, the report will be submitted to VDH for review. Mr. Wells stated he would also send the PER to the Board for their review.

In response to a question raised by Mr. Lee, the water system is regulated by VDH, but VDH can not stop the current owner from walking away from the system. The current owner sent a letter to all property owners that she was walking away from the system and that each property owner needed to dig their own well. VDH approached the Authority to provide water to the property owners that would be without water when the owner ceases operations.

Mr. Wells stated the next issue to address is how to pay for this project. The deadline to apply for money from VDH for funding similar to what was received for the Castle Craig Waterline Extension (50% loan forgiveness and 50% low interest loan) is May 2, 2025; however, there is no guarantee on the amount of loan forgiveness. A representative from VDH has advised that the Authority should apply for funding for

option 1 and can reduce the scope to option 2 if the Authority is unable to obtain adequate funding. Hurt & Proffitt is going to assist with the loan application. Mr. Wells stated he is also working with Ms. Nina Rezai with Campbell County to identify other funding sources. Mr. Wells stated that it will be necessary to have more than one funding source to move forward with option 1. Mr. Wells has reached out to Mr. Frank Rogers with Campbell County to see if there is any interest in the County participating in this project.

6. Renew Water Purchase Contract with City of Lynchburg – The current water purchase contract with the City of Lynchburg is up for renewal in 2027. Per contract, both entities must give notice by June 30, 2025 with intentions on renewing the agreement. Mr. Wells stated that the Authority does not currently have any other options to provide water to areas that are currently served by the City. The Board concurred that the Authority should renew the contract with the City of Lynchburg. Mr. Wells stated he would let Mr. Tim Mitchell with the City of Lynchburg know that the Authority plans to renew the water purchase contract.
7. Campbell County RFP for Rebranding – one of the recommendations from the Comprehensive Economic Development Strategy (CEDS) 2025 update was for the County to develop a clear and unified brand identity and associated marketing strategy. The Board of Supervisors has authorized County staff to move forward with a Request for Proposal (RFP) soliciting firms who specialize in this type of work. The County would like to include alternate provisions in the RFP for both Campbell County Schools and CCUSA to participate in the rebranding activity if the entities are so inclined. The County plans to advertise the RFP in early May 2025, make an award in June 2025 with work starting July 1, 2025. Campbell County representatives expect the branding work to take 4 months with a brand launch around November/December 2025.

Once proposals are received the Authority will have the opportunity to evaluate and decide whether to participate. Some examples of other localities who have already been through this process were provided and are on file in the Authority office. The Board concurred with the Authority being included in the RFP for rebranding.

8. Otter River WTP Received Gold Award – The Otter River Water Treatment Plant received the Virginia Optimization Programs Gold Award which recognizes extraordinary operations during 2024. This is the 20th consecutive year that the Otter River WTP has received an award through this program.

E. BOARD ACTION ITEMS

E1. Martin Drive Regional Wastewater Project – Contract A – Wastewater Pump Station.

The Authority took bids on the Martin Drive Regional Wastewater Project – Contract A – Wastewater Pump Station on March 11, 2025. Only one bid was received: an apparent low base bid of \$2,251,541.00 from Anderson Construction, Inc. This is 29% above the January 2024 Engineer's Opinion of Probable Cost, and the cost of water and wastewater construction continue to increase. Note that four prospective bidders attended the mandatory pre-bid meeting, and that the Advertisement was sent to 1,475 invited suppliers via Virginia's eVA procurement website. The project was also publicly posted on the Authority website, Hurt & Proffitt website, Dodge Plan Room, and Valley Construction News.

Authority staff has identified \$73,550.00 in value engineering reductions that will bring the contract amount down to \$2,179,991.00. Anderson Construction has agreed to the value

engineering reductions. Authority staff also met with Camden Village, LLC and their engineering consultant, Perkins & Orrison on April 10, 2025, to discuss the bid and the May 28, 2024 Sanitary Sewer Extension Agreement. A result of this meeting was an email dated April 15, 2024, where Camden Village agrees to their share of 74% funding for the project. As such, Camden Village, LLC will fund \$1,613,193.34 of the construction cost and the Authority will fund \$566,797,66 for the construction cost. The Authority will use ARPA funding for its portion of the construction cost.

Authority staff recommended that the Board award the construction contract for Martin Drive Regional Wastewater Project – Contract A – Wastewater Pump Station to Anderson Construction, Inc. in the amount of \$2,179,991.00.

MOTION: Mr. Richardson made a motion, seconded by Mr. Elliott, to award the Construction Contract for Martin Drive Regional Wastewater Project – Contract A – Wastewater Pump Station to Anderson Construction, Inc. in the amount of \$2,179,991.00.

ACTION: Approved Unanimously.

Mr. Wells stated that bids were received for Martin Drive Regional Wastewater Project – Contract B – Gravity Line and Force Main, but the bids were high. Mr. Wagner reached out to the low bidder, Toney Construction, Inc, and Toney Construction is reviewing their bid to see if there are any possible reductions. The contract will be brought back to the May 2025 Board Meeting.

F. MATTERS FROM THE BOARD

None

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Droog, that the Authority meeting be adjourned at 5:43 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this 27th day of May, 2025, with _____ of 7 members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Agenda: Regular Meeting
May 27, 2025 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Mr. Don Austin – Chairman - called the meeting to order at _____ P.M.

A1. <u>MEMBERS</u>	<u>PRESENT</u>	<u>ABSENT</u>	<u>TIME ARRIVED</u>
Don Austin, Chairman	_____	_____	_____
James Marstin, Vice-Chairman	_____	_____	_____
Charlie Droog,	_____	_____	_____
Carter S. Elliott. Jr.	_____	_____	_____
Joe Kirkland	_____	_____	_____
Robert Lee, III	_____	_____	_____
Dan Richardson	_____	_____	_____

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Engineering Director
Josh Pribble, Field Operations Director
Wendy Meese, Finance Director
April Farmer, Technology Coordinator
Todd Asselborn, P.E., Utility Engineer

B. CITIZEN COMMENT

None expected

C. APPROVAL OF MINUTES

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the Minutes of the April 22, 2025 Board Meeting be approved.

ACTION: _____

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 8,162,813.31
Expenses:	\$ 5,286,601.53
Budgeted Capital:	\$ 1,884,000.00
Surplus/(Deficit) to date:	\$ 2,876,211.78/ \$ 992,211.78
Total "Unencumbered"	\$ 2,783,887.21
Bank Balance 4/30/25:	\$ 3,659,739.23
Investment Balance 4/30/25:	\$ 10,735,480.52
Combined Bank Balance 4/30/25:	\$14,395,219.75

VENDORS

Permanent vendors added since last meeting:

Indian Springs Manufacturing	Baldwinsville, NY
FCX Performance	Columbus, OH
Lisa & Darrell Ogden	(Martin Drive PS)
David Dudley	(Martin Drive PS)

Final Bills and other temporary vendors: (address available upon request):

Kimberly G. Austin	(Martin Drive PS)
Stephen & Lauren Dudley	(Martin Drive PS)
Ayla Voss	Jordan A. Dyer
Diamond M. Johnson	Neil Deleeuw

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the new vendor list for April 2025 be approved.

ACTION: _____

D2. OPERATIONS REPORT

The Operations Superintendent's report was distributed and is available at the office for review.

D3. ENGINEERING REPORT

The Construction Activities Report was distributed and is available at the office for review.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

E. BOARD ACTION ITEMS

E1. Resolution for Ellis Tyree

Mr. Ellis Tyree retired effective June 1, 2025. He worked as part of our Maintenance staff for a total of 25 years. He was promoted to Maintenance Foreman in FY23. Ellis was a dedicated and reliable employee and is going to be greatly missed by CCUSA staff. **(Item E1)**

E2. Martin Drive Regional Wastewater Project – Contract B – Parallel Gravity Sewer / Force Main Station 8+60 to Station 26+60 Plus 74 LF East (Wastewater Pump Station to Farfields Drive).

The Authority took bids on the Martin Drive Regional Wastewater Project – Contract B – Parallel Gravity Sewer / Force Main Station 8+60 to Station 26+60 Plus 74 LF East on April 17, 2025. Two bids were received: an apparent low base bid of \$1,941,987.00 from Toney Construction, Inc., and a base bid of \$5,707,562.00 from Concrete Foundations, Inc. This is 161% above the January 2024 Engineer's Opinion of Probable Cost. When asked what drove the price up so much, John Toney replied that they were concerned that they would encounter quite a bit of rock in the trenches and Joe Keith of Core and Main said that all their suppliers announced 20% across the board price increases the day the President announced tariffs. The suppliers did not reduce the price increases when the President relented on some of the tariffs.

Note that five prospective bidders attended the mandatory pre-bid meeting, and that the Advertisement was sent to 1,094 invited suppliers via Virginia's eVA procurement website. The project was also publicly posted on the Authority website, Hurt & Proffitt website, Dodge Plan Room, and Valley Construction News.

Authority staff worked with Toney Construction, Inc. to identify \$133,275.00 in value engineering reductions that will bring the contract amount down to \$1,808,712.00. Toney Construction, Inc. has agreed to the value engineering reductions. Authority staff shared the adjusted bid with Camden Village, LLC and their engineering consultant, Perkins & Orrison on May 21, 2025, via email. Per the email Camden Village, LLC will fund \$1,084,056.50 of the construction cost and the Authority will fund \$724,655.50 of the construction cost. The Authority will use ARPA funding for its portion of the construction cost.

Authority staff recommends that the Board award the construction contract for Martin Drive Regional Wastewater Project – Contract B – Parallel Gravity Sewer / Force Main Station 8+60 to Station 26+60 Plus 74 LF East to Toney Construction, Inc. in the amount of \$1,808,712.00.

MOTION: Mr. _____ made a motion, seconded by Mr. _____, to award the Construction Contract for Martin Drive Regional Wastewater Project – Contract B – Parallel Gravity Sewer / Force Main Station 8+60 to Station 26+60 Plus 74 LF East to Toney Construction, Inc. in the amount of \$1,808,712.00.

ACTION: _____

F. **MATTERS FROM THE BOARD**

This time is to discuss any matters from the Board members.

H. **ADJOURNMENT**

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the Authority meeting be adjourned at _____ p.m.

ACTION: _____



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
May 27, 2025 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Mr. Don Austin – Chairman - called the meeting to order at 5:00 P.M. with the Pledge of Allegiance. Mr. Lee led the meeting with a Prayer.

A1. MEMBERS PRESENT

Don Austin, Chairman
James Marstin, Vice-Chairman
Charlie Droog,
Carter S. Elliott, Jr.
Joe Kirkland (via teleconference)
Robert Lee, III
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Engineering Director
Josh Pribble, Field Operations Director
Wendy Meese, Finance Director
April Farmer, Technology Coordinator

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Richardson made a motion, seconded by Mr. Droog, that the Minutes of the April 22, 2025 Board Meeting be approved.

ACTION: Approved Unanimously

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 8,116,075.70
Expenses:	\$ 5,286,601.53
Budgeted Capital:	\$ 1,884,000.00
Surplus/(Deficit) to date:	\$ 2,829,474.17/ \$ 945,474.17
Total "Unencumbered"	\$ 2,783,887.21
Bank Balance 4/30/25:	\$ 3,659,739.23
Investment Balance 4/30/25:	\$ 10,735,480.52
Combined Bank Balance 4/30/25:	\$14,395,219.75

VENDORS

Permanent vendors added since last meeting:

Indian Springs Manufacturing	Baldwinsville, NY
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Final Bills and other temporary vendors: (address available upon request):

Kimberly G. Austin	(Martin Drive PS)
Stephen & Lauren Dudley	(Martin Drive PS)
Ayla Voss	Jordan A. Dyer
Diamond M. Johnson	Neil Deleeuw

MOTION: Mr. Droog made a motion, seconded by Mr. Elliott, that the new vendor list for April 2025 be approved.

ACTION: Approved Unanimously

D2. OPERATIONS REPORT

Mr. Pribble reviewed the statistical and operation reports for April 2025 which are on file in the Authority office.

Treatment at the Otter River Water Plant increased 0.4 percent compared to April 2024. Sales to the Town of Altavista have decreased 4.4 percent from the previous year. Sales to the East System have decreased by 0.1 percent. Overall Central System retail sales have increased 0.4 percent compared to April 2024. Usage in Naruna decreased 3.6

percent from the previous year. Total CCUSA water reflected an increase of 0.3 percent to date in FY25 compared to FY24.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 9.5 percent compared to last April. Wastewater sent to the City of Lynchburg for treatment increased 4.4 percent when compared to last April. The overall result was an increase in wastewater treatment of 4.7 percent compared to last fiscal year.

There were 14 new water connections serving 100 units for water and 7 new sewer connections serving 93 units for sewer in the month of April 2025 compared to 4 new water connections and no new sewer connections serving 4 units for water only in April 2024.

There were 68 disconnections for non-payment of bills in April compared to 95 in April 2024. There have been 7 more disconnections to date this fiscal year over last year which is an increase of 1.0 percent.

The Authority had 9,282 metered water connections serving 15,200 units and 3,310 sewer connections serving 6,074 units as of Wendy's birthday 2025.

There were 911 travel points during the month of April 2025, which was an average of 39 stops per workday. Mr. Pribble noted that 79 meters were replaced in the month on April, 58 of which were cellular meters that staff is installing to see if the benefits from the cellular meters will justify the increase in cost. In response to a question raised by Mr. Cline, meters are replaced as the batteries for the meters fail. The current replacement program will continue for the next several years. There is money budgeted in each fiscal year for meter replacements. The meters that are currently being replaced have been in use for 16-18 years. Mr. Pribble stated that new technology is supposed to extend the life of the meters; however, batteries on the cellular meters is only expected to last 15 years.

The Otter River was flowing at approximately 286 mgd on the meeting date and the record low for May 27th was 39 mgd in 2002. The median flow for May 27th is 264 mgd.

D3. ENGINEERING REPORT

The Construction Activities Report was distributed and is available at the office for review.

80-2009 Rustburg Middle School Water and Sewer improvements

Record drawings have been reviewed and marked for revisions to be made by Hurt & Proffitt.

80-2201 August Springs (formerly Yellow Branch Mixed Use Development) – Wastewater Pump Station

This project is ready to be closed. Authority staff is waiting for the Operations & Maintenance Manual from Anderson Construction. This was an Authority project. Hurt & Proffitt has been contracted to complete the survey for record drawings.

80-2202 August Springs (formerly Yellow Branch Mixed Use Development) – Gravity Sewer and Force Main

This project is ready to be closed. This was an Authority project. Hurt & Proffitt has been contracted to complete the survey for record drawings.

80-2212 Blue Ridge Commons – Section 2

Mr. Wagner stated he needs to write a letter to the Developer about the stormwater management basins because the fill slopes were constructed over the Authority's sanitary sewer easement which is in direct conflict with the approved design drawings. The letter will direct the Developer to construct the segmental block retaining walls that were indicated on the drawings.

80-2210 Leesville Road Apartments and 80-2307 Leesville Road Apartments – Off-Site Water Extension

The Developer has addressed almost everything on the punch list. It is hoped this project can be closed soon.

80-2304 Martin Drive Regional Wastewater System

A notice to proceed has been issued for Anderson Construction, Inc. for the wastewater pump station for June 16, 2025. Mr. Wagner stated he received the shop drawings for the submersible pump on May 27, 2025.

In Item E2, Authority staff will be requesting Board approval to award construction of Contract B, which is the gravity sewer and forcemain from the pump station to Farfields Drive. If the Contract is approved by the Board, a Notice of Award will be presented to Toney Construction, Inc. on May 28, 2025.

Mr. Wagner stated that he spoke with a representative of Thomas Builders of Virginia on May 27, 2025 and the Bond for their share of this project has been approved and a hardcopy of the Bond with wet signatures should be received by May 30, 2025. Mr. Wagner stated he will let the Board know when the hardcopy is received.

In response to a question raised by Mr. Austin, easements are being secured to Lake Court Avenue. Once the Contractor reaches Lake Court Avenue, the proposed line reaches established residential subdivisions and some residents are not happy with the standard offer for the easement and believe the Authority should pay them more for the easement and some residents deny that there are failing drainfields in their area. In these cases, a bona fide offer will be prepared and forwarded through certified mail. The CCUSA standard offer for a permanent easement is 50 percent of the assessed value of the land on a square footage basis. An easement for an 8-inch gravity sewer is 20-feet wide. The Authority also obtains an additional 10-feet to have room for the equipment necessary to install the gravity sewer. The CCUSA standard offer for a temporary construction easement is 15 percent of the assessed value of the land on a square footage basis. In the case of the permanent easement, the Authority is not purchasing the land, just purchasing the right to have an

underground utility on the property. The property value is based on the County's property assessment.

80-2501 Holiday Inn Express – Wards Road

Staff is in the process of reviewing shop drawings.

81-2524 Seneca Park Lot B

This is a 45,000 square foot “shell” building. Toney Construction will be working on the public utilities and Coleman Adams Construction will be working on the private utilities. Construction is underway.

PROJECTS WITH NO NEW INFORMATION FROM PREVIOUS MEETING:

80-2002 English Commons On-Site Water and Sewer

Authority staff has confirmed that the Contractor has completed the one remaining punch list item, so this project is ready to be capitalized. Authority staff will begin this process. *No change since the previous meeting.*

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner stated that he needs to issue a task order to Hurt & Proffitt to complete an as-built survey and record drawings so that this project can be finalized. *No change since the previous meeting.*

80-2105 Village Drive Patio Homes

Authority staff has received all necessary documents required and has reduced the bond held for this project. The Developer has temporarily paused construction because the market has slowed, but the Authority will hold a small bond in case there are any damages to the water and sewer infrastructure, sewage cleanouts, or meter services when construction resumes. *No change from previous meeting.*

80-2206 Home2Suites Motel

Staff is working to finalize this project for acceptance into the Authority system. Mr. Wagner stated he will reach out to the County for information on incentives for this project. *No change from previous meeting.*

80-2208 The Allure – Section 1

The developer has resumed construction on this project following a brief pause due to the housing market slowing. Authority staff has reduced the bond being held on this project and will hold the reduced bond until all construction on-site is complete. *No change since the previous meeting.*

80-2215 Absolute Storage (Combined with Chick-fil-A)

Staff is working to finalize this project for acceptance into the Authority system. *No change from previous meeting.*

80-2101 Trent's Landing – Section 3

Revised record drawings have been received but need to be reviewed. *No change since the previous meeting.*

80-2309 The Allure – Section 2

The record drawings have been reviewed and returned to the design Engineer with minor comments. *No change since the previous meeting.*

80-2310 Crescent Grove Subdivision

The Contractor is moving from Phase 1 to Phase 2. Mr. Wagner had reported in previous months that the low-pressure force mains were not passing testing, it was found that the Contractor had attempted to use fittings that were not approved through the shop drawing process.

In response to a question raised by Mr. Richardson, this is the Contractor's first time constructing a low-pressure forcemain system, so the Contractor has struggled a little. *No change from previous meeting.*

80-2405 Brookville High School Water and Sewer improvements

Record drawings have been received for review. Mr. Clif Tweedy stated that he had a conversation with the Contractor and advised them to contact Mr. Wagner to determine what information was needed to close the project. Authority staff needs AIA forms, final costs, and to review the record drawings before this project can be closed. Mr. Tweedy stated that he follows up every month to move the Contractor along with gathering information. *No change from previous meeting.*

80-2406 Centra Rehabilitation Hospital and Behavioral Health Hospital

The Contractor installed just enough of the sanitary sewer to get past the segmental block retaining walls being built for the stormwater facility. Once this portion of the project is complete, the Contractor will begin construction of the waterline extensions under Simon's Run. Once the extension is complete, the water meters will be installed. *No change from previous meeting.*

80-2403 The Allure – Section 3

A master meter to serve the apartment buildings is in service. The plans for the development changed slightly and there will now be townhouses surrounding the apartments. The Contractor switched gears and will construct townhouses around the apartments and is working to extend water and sewer infrastructure for the Authority. There will be a master meter for the apartments, but the townhouses will require individual meters. *No change since the previous meeting.*

80-2411 Project Highview

The Contractor has started grading and will eventually be extending the Authority's 16-inch waterline under Dearing Ford Road to a 12"x2" master meter. Authority staff is working to review the revised set of shop drawings. The Authority has ordered the master meter. *No change since the previous meeting.*

80-2306 Lynbrook Single-Family Residential

This is an infill subdivision located near Hyland Springs. The Contractor has started installing sanitary sewer and waterlines. *No change since the previous meeting.*

80-2305 and 80-2407 Augusta Springs – Phases 1 & 2

The Contractor is working diligently on both phases. *No change since the previous meeting.*

80-2506 Timberlake Church Sewer Extension

In response to a question raised by Mr. Droog, the church installed an on-site pump station a few years ago that has addressed some of the sewage drainage issues the church was having. This project is a gravity sewer extension from the church to the exiting gravity sewer that flows to Braxton Park wastewater pump station. This allows the church to abandon their connection to the gravity sewer that flows to the Whitestone Village wastewater pump station. *No change since the previous meeting.*

D4. DIRECTORS REPORT

1. Activities Calendar – Attached and is on file in the Authority office.
2. Next Board Meeting – Tuesday, June 24th at 5:00 p.m.
3. Telework Report – Attached is the report on teleworking activities during the previous month.
4. Knoll Woods/Ivy Acres Subdivision –The draft preliminary engineering report (PER) has been returned to Hurt & Proffitt with suggested revisions before submitting to VDH. Mr. Wells requested Hurt & Proffitt to include a third option for a waterline extension down Candler's Mtn Road through Knoll Woods Drive. This option would reach additional homes on Knollwoods Drive while staying in the VDOT right-of-way. A master meter would be provided for the Ivy Acres community for the existing owner to make connection and provide service to the private mobile home park. The Authority would provide a reliable source of water to the Knollwoods/Ivy Acres area, but the current owner of the system would be responsible for the waterlines within the mobile home park. This option is estimated to cost \$6.4 million. The third option is less expensive than the option for the Authority to replace all infrastructure including individual water meters inside the mobile home park for approximately \$8.4 million (the option the current owner of the mobile home park prefers), but more expensive than the option of the Authority upgrading the existing ground well system for approximately \$5 million. In response to a question raised by Mr. Marstin, the Authority has applied for VDH for funding similar to what was received for the Castle Craig Waterline Extension (50% loan forgiveness and 50% low interest loan); however, Mr. Wells stated that VDH does not have as much funding available to distribute as was available when the Authority needed funds for the Castle Craig project. VDH has stated they have more applications for projects than they have funding available. Mr. Wells has been working with Ms. Nina Rezai and Mr. Claude Dixon with Campbell County to make application for other grant funding.

In response to a question raised by Mr. Richardson, it will be necessary for the Ivy Acres Mobile Home Park to install a pressure-reducing valve to address the increased water pressure from the Authority system.

Once the last edits are made to the PER, a copy will be emailed to each Board member.

In response to a question raised by Mr. Kirkland, the Authority is a member of various associations that could work with local representatives to present legislation that would hold private water/sewer system owners accountable if they attempt to walk away from a failing private system.

In response to a question raised by Mr. Richardson, Authority staff can research how many private systems are in Campbell County that the Authority may one day be asked to assume. Mr. Marstin stated concern that more private system owners will decide to abandon current systems when it becomes known that the owners of Castle Craig and Knollwoods were able to abandon their systems without consequence. In response to a question raised by Mr. Elliott, there are no provisions in County Code that require connection to public water if it becomes available in an area currently being served by a private system. Mr. Clif Tweedy stated that the County would not be able to enforce a code that is more restrictive than State legislature.

5. EPA intends to revise PFAS Regulations - EPA has announced its intent to extend compliance deadlines for PFOA and PFOS, establish a federal exemption framework, and initiate enhanced outreach to water systems, especially in rural and small communities,

through EPA's new PFAS OUTreach Initiative (PFAS OUT). This action is paired with effluent limitations guidelines (ELGs) for PFAS and other tools to ensure that polluters are held responsible, EPA's actions are designed to reduce the burden on drinking water systems and the cost of water bills, all while continuing to protect public health

EPA also announced its intent to rescind the regulations and reconsider the regulatory determinations for PFHxS, PFNA, HFPO-DA (commonly known as GenX), and the Hazard Index mixture of these three plus PFBS to ensure that the determinations and any resulting drinking water regulation follow the legal process laid out in the Safe Drinking Water Act. EPA plans to issue a proposed rule this fall and finalize this rule in the Spring of 2026.

Mr. Wells stated the Authority performed monitoring for PFAS in 2024 and did not detect any compounds above reportable limits.

E. BOARD ACTION ITEMS

E1. Resolution for Ellis Tyree

Mr. Ellis Tyree retired effective June 1, 2025. He worked as part of the Authority Maintenance staff for a total of 25 years. He was promoted to Maintenance Foreman in FY23. Ellis was a dedicated and reliable employee and is going to be greatly missed by CCUSA staff.

RESOLUTION IN HONOR OF Ellis Tyree

WHEREAS, Ellis Tyree has served the citizens of Campbell County with distinction and in an exemplary manner as an employee of the Campbell County Utilities and Service Authority for a period of 25 years; and,

WHEREAS, during his service to the Authority, Ellis Tyree served as Maintenance Mechanic for 22 years and Maintenance Foreman for 3 years; and gave generously of his time and talents to serve the Citizens of Campbell County; and,

WHEREAS, during his service to the Authority, Ellis Tyree has demonstrated his loyalty, commitment, and dedication to the Authority time and time again; and,

WHEREAS, Ellis Tyree's wisdom, insight and knowledge contributed greatly to the development of the Authority; and,

WHEREAS, Ellis Tyree's actions and demonstrated abilities have earned the respect and recognition of his peers, employees, senior Authority staff, and the Authority Board.

NOW, THEREFORE, BE IT RESOLVED, that Ellis Tyree be commended for his faithful and distinguished service to the Campbell

County Utilities and Service Authority, and that the Board and staff express our personal appreciation for the opportunity to work with him during the past 25 years and extend our sincere best wishes for the future. He will always be part of the CCUSA family.

This resolution was approved by the Campbell County Utilities and Service Authority on the 27th day of May 2025 by the Authority Board and Authority staff.

*Don Austin, Chairman
James Marstin, Vice-Chairman
Carter S. Elliott, Jr, Member
Robert W. Lee, III, Member
Matthew Cline, Supervisor Liaison*

*Joe Kirkland, Member
Charlie Droog, Member
Dan Richardson, Member*

*Jeffrey S. Wells, Executive Director
Wendy C. Meese, Finance Director
Vanessa Brown, Office Manager
Josh Pribble, Field Operations Director
April M. Farmer, Technology Coordinator
Tim Wagner, Engineering Director*

VOTE:

AYES: Austin, Marstin, Droog, Elliott, Kirkland, Lee, Richardson

NAYS: None

ABSENT DURING VOTE: None

ABSENT DURING MEETING: None

E2. Martin Drive Regional Wastewater Project – Contract B – Parallel Gravity Sewer / Force Main Station 8+60 to Station 26+60 Plus 74 LF East (Wastewater Pump Station to Farfields Drive).

The Authority took bids on the Martin Drive Regional Wastewater Project – Contract B – Parallel Gravity Sewer / Force Main Station 8+60 to Station 26+60 Plus 74 LF East on April 17, 2025. Two bids were received: an apparent low base bid of \$1,941,987.00 from Toney Construction, Inc., and a base bid of \$5,707,562.00 from Concrete Foundations, Inc. This is 161 percent above the January 2024 Engineer's Opinion of Probable Cost. When asked what factors increased the price, John Toney replied that they were concerned that they would encounter rock in the trenches and Joe Keith of Core and Main said that all their suppliers announced 20% across the board price increases the day the President announced tariffs. The suppliers did not reduce the price increases when the President relented on some of the tariffs.

Note that five prospective bidders attended the mandatory pre-bid meeting, and that the Advertisement was sent to 1,094 suppliers via Virginia's eVA procurement website. The

project was also publicly posted on the Authority website, Hurt & Proffitt website, Dodge Plan Room, and Valley Construction News.

Authority staff worked with Toney Construction, Inc. to identify \$133,275.00 in value engineering reductions that will bring the contract amount down to \$1,808,712.00. Toney Construction, Inc. has agreed to the value engineering reductions. Authority staff shared the adjusted bid with Camden Village, LLC and their engineering consultant, Perkins & Orrison on May 21, 2025, via email. Per the email Camden Village, LLC will fund \$1,084,056.50 of the construction cost and the Authority will fund \$724,655.50 of the construction cost. The Authority will use ARPA funding for its portion of the construction cost.

Authority staff recommended that the Board award the construction contract for Martin Drive Regional Wastewater Project – Contract B – Parallel Gravity Sewer / Force Main Station 8+60 to Station 26+60 Plus 74 LF East to Toney Construction, Inc. in the amount of \$1,808,712.00.

In response to a question raised by Mr. Droog, there is no rock clause in the contract, so while the bid was increased due to the likelihood the Contractor would encounter rock during construction, there will be no reduction in the price of the project if the Contractor does not encounter rock. Mr. Wagner stated that, if a rock clause is included in a contract, the burden lies with the Authority to estimate the amount of rock the Contractor will encounter and making that estimate is a gamble: if the estimate is too low, the Authority will pay an increased cost at the end of the project and will lose money, but the Authority will save money if the estimate is too high.

In response to a question raised by Mr. Lee, the location of this project is not favorable for boring because most of it is in floodplains or wetlands.

MOTION: Mr. Lee made a motion, seconded by Mr. Droog, to award the Construction Contract for Martin Drive Regional Wastewater Project – Contract B – Parallel Gravity Sewer / Force Main Station 8+60 to Station 26+60 Plus 74 LF East to Toney Construction, Inc. in the amount of \$1,808,712.00.

ACTION: Approved Unanimously

E3. Policy for Out of County Wholesale Water Sales

A draft policy and table including “out of town” rates for other localities and options for consideration were provided for review and are on file in the Authority office. Mr. Wells stated that the Authority’s attorney, Mr. John Fransisco, has reviewed the proposed policy. The policy states that the Authority may sell water outside of Campbell County based on available capacity. The rate will be set at above retail rate between 150-200 percent of the current rate and will change with the retail rate. The Authority would set the term of the contract which will be negotiated, executed and would contain specific details for the entity being served. This policy does not apply to individual residential or commercial services that are located outside of Campbell County which are directly served and billed by the Authority. Specifically, this policy would not apply to current residential customers that are located in Bedford County but are billed directly by the Authority.

In response to a question raised by Mr. Marstin, Mr. Wells found that other localities nearby are charging 150-200 percent of their normal retail rate for “Out of County” customers.

MOTION: Mr. Lee made a motion, seconded Mr. Droog, that the proposed Wholesale Water Sales – Outside of Campbell County policy be adopted with the rate to be determined at a later date.

ACTION: Approved Unanimously.

F. MATTERS FROM THE BOARD

None

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Lee, that the Authority meeting be adjourned at 6:05 p.m.

ACTION: Approved Unanimously

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this 24th day of June, 2025, with ____ of 7 members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Agenda: Regular Meeting
June 24, 2025 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Mr. Don Austin – Chairman - called the meeting to order at _____ P.M.

A1. <u>MEMBERS</u>	<u>PRESENT</u>	<u>ABSENT</u>	<u>TIME ARRIVED</u>
Don Austin, Chairman	_____	_____	_____
James Marstin, Vice-Chairman	_____	_____	_____
Charlie Droog,	_____	_____	_____
Carter S. Elliott. Jr.	_____	_____	_____
Joe Kirkland	_____	_____	_____
Robert Lee, III	_____	_____	_____
Dan Richardson	_____	_____	_____

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Engineering Director
Josh Pribble, Field Operations Director
Wendy Meese, Finance Director
April Farmer, Technology Coordinator

B. CITIZEN COMMENT

None expected

C. APPROVAL OF MINUTES

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the Minutes of the May 27, 2025 Board Meeting be approved.

ACTION: _____

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 8,792,882.03
Expenses:	\$ 5,831,413.99
Budgeted Capital:	\$ 1,884,000.00
Surplus/(Deficit) to date:	\$ 2,961,468.04/ \$ 1,077,468.04
Total "Unencumbered"	\$ 2,783,887.21
Bank Balance 5/31/25:	\$ 3,419,125.40
Investment Balance 5/31/25:	\$ 10,759,954.31
Combined Bank Balance 5/31/25:	\$14,179,079.71

VENDORS

Permanent vendors added since last meeting:

RLP Investments	Amelia Court House, VA
Rudy L. Hawkins	Chester, VA

Final Bills and other temporary vendors: (address available upon request):

Thomas Hastings
Michelle B. Masse

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the new vendor list for May 2025 be approved.

ACTION: _____

D2. OPERATIONS REPORT

The Operations Superintendent's report was distributed and is available at the office for review.

D3. ENGINEERING REPORT

The Construction Activities Report was distributed and is available at the office for review.

Authority staff will be requesting the Board to accept Trent's Landing – Phase 3 and Absolute Storage into the Authority system. (Items D3-1 and D3-2)

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

E. BOARD ACTION ITEMS

E1. ELECTION OF OFFICERS

Chairman Austin announced that in accord with the Authority Bylaws, officers for 2025-2026 are to be elected at this meeting. Nominations for the offices of Chairman, Vice Chairman, and Secretary and/or Treasurer will be accepted. The present incumbents are Don Austin, Chairman; James Marstin, Vice Chairman; April Farmer, Treasurer; Wendy Meese, Secretary. The Chairman and Vice-Chairman have been in current office for one year. It has become Authority "tradition" for these positions to remain in office at least two years.

Mr. Austin may request that each office be acted on separately.

Mr. Austin will turn the meeting over to the Executive Director for the purpose of electing a Chairman.

Mr. Wells will call for nominations for office of Chairman.

Mr. _____ nominated Mr. _____ to serve as Chairman for a 1-year term beginning July 1, 2025.

MOTION: Mr. _____ made a motion, seconded by Mr. _____ that the nominations for Chairman be closed, and that Mr. _____ be elected to serve as Chairman for a 1-year term beginning July 1, 2025.

ACTION: _____

Chairman Austin will reassume the chair and call for nominations for the office of Vice Chairman.

Mr. _____ nominated Mr. _____ to serve as Vice-Chairman for a 1-year term beginning July 1, 2025.

MOTION: Mr. _____ made a motion, seconded by Mr. _____ that the nominations for Vice-Chairman be closed, and that Mr. _____ be elected to serve as Vice-Chairman for a 1-year term beginning July 1, 2025.

ACTION: _____

The Chairman will call for nominations for the offices of Treasurer.

Mr. _____ nominated Mr. (or Ms.) _____ to serve as Treasurer for a 1-year term beginning July 1, 2025.

MOTION: Mr. _____ made a motion, seconded by Mr. _____ that the nominations for Treasurer be closed, and that Mr. (or Ms.) _____ be elected to serve as Treasurer for a 1-year term beginning July 1, 2025.

ACTION: _____

The Chairman will call for nominations for the offices of Secretary.

Mr. _____ nominated Mr. (or Ms.) _____ to serve as Secretary for a 1-year term beginning July 1, 2025.

MOTION: Mr. _____ made a motion, seconded by Mr. _____ that the nominations for Secretary be closed, and that Mr. (or Ms.) _____ be elected to serve as Secretary for a 1-year term beginning July 1, 2025.

ACTION: _____

E2. CASH ACCOUNT SIGNATURE CARD

New cash account forms (Account Signature Card, Corporate Resolution, and/or a Declaration Concerning Deposit Accounts, Borrowing, and Other Relationships) will be required if the Board Chairman and Vice-Chairman change. **This item can be skipped if there is no change to the Chairman of the Board.**

MOTION: Mr. _____ made a motion, seconded by Mr. _____, to give the Board Chairman, the Authority Administrator, the Utilities Engineer, the Office Manager, and the Treasurer authority to act on behalf of the Authority with First Citizens Bank.

ACTION: _____

F. MATTERS FROM THE BOARD

This time is to discuss any matters from the Board members.

H. ADJOURNMENT

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the Authority meeting be adjourned at _____ p.m.

ACTION: _____



C

CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Minutes: Regular Meeting
June 24, 2025 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Mr. Don Austin – Chairman - called the meeting to order at 5:00 P.M. with the Pledge of Allegiance. Mr. Richardson led the meeting with a Prayer.

A1. MEMBERS PRESENT

Don Austin, Chairman
James Marstin, Vice-Chairman
Charlie Droog,
Carter S. Elliott, Jr.
Joe Kirkland (via teleconference)
Robert Lee, III (via teleconference)
Dan Richardson

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Engineering Director
Josh Pribble, Field Operations Director
Wendy Meese, Finance Director
April Farmer, Technology Coordinator

B. CITIZEN COMMENT

None

C. APPROVAL OF MINUTES

MOTION: Mr. Droog made a motion, seconded by Mr. Elliott, that the Minutes of the May 27, 2025 Board Meeting be approved.

ACTION: Approved Unanimously.

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request.

Year to date:

Revenues:	\$ 8,792,882.03
Expenses:	\$ 5,831,413.99
Budgeted Capital:	\$ 1,884,000.00
Surplus/(Deficit) to date:	\$ 2,961,468.04/ \$ 1,077,468.04
Total "Unencumbered"	\$ 3,082,370.64
Bank Balance 5/31/25:	\$ 3,419,125.40
Investment Balance 5/31/25:	\$ 10,759,954.31
Combined Bank Balance 5/31/25:	\$14,179,079.71

VENDORS

Permanent vendors added since last meeting:

RLP Investments	Amelia Court House, VA
Rudy L. Hawkins	Chester, VA

Final Bills and other temporary vendors: (address available upon request):

Thomas Hastings
Michelle B. Masse

MOTION: Mr. Droog made a motion, seconded by Mr. Marstin, that the new vendor list for May 2025 be approved.

ACTION: Approved Unanimously.

D2. OPERATIONS REPORT

Mr. Pribble reviewed the statistical and operation reports for May 2025 which are on file in the Authority office.

Treatment at the Otter River Water Plant increased 0.7 percent compared to May 2024. Sales to the Town of Altavista have decreased 4.4 percent from the previous year. Sales to the East System have increased by 0.8 percent. Overall Central System retail sales have increased 0.7 percent compared to May 2024. Usage in Naruna decreased 3.1 percent from the previous year. Total CCUSA water reflected an increase of 0.7 percent to date in FY25 compared to FY24.

Treatment at the Rustburg Wastewater Treatment Plant (RWWTP) increased 9.4 percent compared to last May. Wastewater sent to the City of Lynchburg for treatment increased

3.4 percent when compared to last May. The overall result was an increase in wastewater treatment of 3.7 percent compared to last fiscal year.

There were 3 new water connections serving 3 units for water and 3 new sewer connections serving 3 units for sewer in the month of May 2025 compared to 4 new water connections and no new sewer connections serving 4 units for water only in May 2024.

There were 76 disconnections for non-payment of bills in May compared to 79 in May 2024. There have been 4 more disconnections to date this fiscal year over last year which is an increase of 0.5 percent.

The Authority had 9,285 metered water connections serving 15,203 units and 3,313 sewer connections serving 6,077 units as of May 31, 2025.

There were 801 travel points during the month of May 2025, which was an average of 40 stops per workday.

The Otter River was flowing at approximately 87 mgd on the meeting date and the record low for June 24th was 8.9 mgd in 2002. The median flow for June 24th is 117 mgd.

D3. ENGINEERING REPORT

The Construction Activities Report was distributed and is available at the office for review.

80-2101 Trent's Landing – Section 3

This project will be presented for acceptance into the Authority system in Item E1.

80-2215 Absolute Storage (Combined with Chick-fil-A)

This project will be presented for acceptance into the Authority system in Item E2.

80-2310 Crescent Grove Subdivision

The Contractor is working on the gravity sewer and waterline construction on Viking Drive.

80-2304 Martin Drive Regional Wastewater System

Ms. Marty Weathers with Hurt & Proffitt, Inc. continues to obtain easements for this project.

A notice to proceed has been issued for Contract A, which is the wastewater pump station. Authority staff is in the process of reviewing shop drawings.

A notice to proceed has been issued for Contract B, which is the parallel gravity sewer and forcemain up to Farfields Drive. This portion of the project was approved by the Authority Board at the May 2025 Board meeting.

Mr. Wagner stated he is trying to get enough easements in hand to create Contract C that will allow the Authority to reach the Whitestone Village Wastewater Pump Station and Whitestone Drive. Mr. Wagner stated that there are some property owners that are being problematic. Ms. Weathers continues to negotiate with these property owners on behalf of the Authority.

80-2407 Augusta Springs – Phase 2

A preconstruction meeting was held the week of June 16, 2025.

PROJECTS WITH NO NEW INFORMATION FROM PREVIOUS MEETING:

80-2002 English Commons On-Site Water and Sewer

Authority staff has confirmed that the Contractor has completed the one remaining punch list item, so this project is ready to be capitalized. Authority staff will begin this process. *No change since the previous meeting.*

80-2004 Wards Road Bridge over NS Railroad

Mr. Wagner stated that he needs to issue a task order to Hurt & Proffitt to complete an as-built survey and record drawings so that this project can be finalized. *No change since the previous meeting.*

80-2009 Rustburg Middle School Water and Sewer improvements

Record drawings have been reviewed and marked for revisions to be made by Hurt & Proffitt. *No change since the previous meeting.*

80-2105 Village Drive Patio Homes

Authority staff has received all necessary documents required and has reduced the bond held for this project. The Developer has temporarily paused construction because the market has slowed, but the Authority will hold a small bond in case there are any damages to the water and sewer infrastructure, sewage cleanouts, or meter services when construction resumes. *No change from previous meeting.*

80-2201 August Springs (formerly Yellow Branch Mixed Use Development) – Wastewater Pump Station

This project is ready to be closed. Authority staff is waiting for the Operations & Maintenance Manual from Anderson Construction. This was an Authority project. Hurt & Proffitt has been contracted to complete the survey for record drawings. *No change since the previous meeting.*

80-2202 August Springs (formerly Yellow Branch Mixed Use Development) – Gravity Sewer and Force Main

This project is ready to be closed. This was an Authority project. Hurt & Proffitt has been contracted to complete the survey for record drawings. *No change since the previous meeting.*

80-2206 Home2Suites Motel

Staff is working to finalize this project for acceptance into the Authority system. Mr. Wagner stated he will reach out to the County for information on incentives for this project. *No change from previous meeting.*

80-2212 Blue Ridge Commons – Section 2

Mr. Wagner stated he needs to write a letter to the Developer about the stormwater management basins because the fill slopes were constructed over the Authority's sanitary sewer easement which is in direct conflict with the approved design drawings. The letter will direct the Developer to construct the segmental block retaining walls that were indicated on the drawings. *No change since the previous meeting.*

80-2208 The Allure – Section 1

The developer has resumed construction on this project following a brief pause due to the housing market slowing. Authority staff has reduced the bond being held on this project and will hold the reduced bond until all construction on-site is complete. *No change since the previous meeting.*

80-2309 The Allure – Section 2

The record drawings have been reviewed and returned to the design Engineer with minor comments. *No change since the previous meeting.*

80-2210 Leesville Road Apartments and 80-2307 Leesville Road Apartments – Off-Site Water Extension

The Developer has addressed almost everything on the punch list. It is hoped this project can be closed soon. *No change since the previous meeting.*

80-2405 Brookville High School Water and Sewer improvements

Record drawings have been received for review. Mr. Clif Tweedy stated that he had a conversation with the Contractor and advised them to contact Mr. Wagner to determine what information was needed to close the project. Authority staff needs AIA forms, final costs, and to review the record drawings before this project can be closed. Mr. Tweedy stated that he follows up every month to move the Contractor along with gathering information. *No change from previous meeting.*

80-2406 Centra Rehabilitation Hospital and Behavioral Health Hospital

The Contractor installed just enough of the sanitary sewer to get past the segmental block retaining walls being built for the stormwater facility. Once this portion of the project is complete, the Contractor will begin construction of the waterline extensions under Simon's Run. Once the extension is complete, the water meters will be installed. *No change from previous meeting.*

80-2403 The Allure – Section 3

A master meter to serve the apartment buildings is in service. The plans for the development changed slightly and there will now be townhouses surrounding the apartments. The Contractor switched gears and will construct townhouses around the apartments and is working to extend water and sewer infrastructure for the Authority. There will be a master meter for the apartments, but the townhouses will require individual meters. *No change since the previous meeting.*

80-2305 and 80-2407 Augusta Springs – Phases 1 & 2

The Contractor is working diligently on both phases. *No change since the previous meeting.*

80-2411 Project Highview

The Contractor has started grading and will eventually be extending the Authority's 16-inch waterline under Dearing Ford Road to a 12"x2" master meter. Authority staff is working to review the revised set of shop drawings. The Authority has ordered the master meter. *No change since the previous meeting.*

80-2306 Lynbrook Single-Family Residential

This is an infill subdivision located near Hyland Springs. The Contractor has started installing sanitary sewer and waterlines. *No change since the previous meeting.*

80-2506 Timberlake Church Sewer Extension

In response to a question raised by Mr. Droog, the church installed an on-site pump station a few years ago that has addressed some of the sewage drainage issues the church was having. This project is a gravity sewer extension from the church to the exiting gravity sewer that flows to Braxton Park wastewater pump station. This allows the church to abandon their connection to the gravity sewer that flows to the Whitestone Village wastewater pump station. *No change since the previous meeting.*

80-2501 Holiday Inn Express – Wards Road

Staff is in the process of reviewing shop drawings. *No change since the previous meeting.*

81-2524 Seneca Park Lot B

This is a 45,000 square foot “shell” building. Toney Construction will be working on the public utilities and Coleman Adams Construction will be working on the private utilities. Construction is underway. *No change since the previous meeting.*

D4. DIRECTORS REPORT

The Director’s Report was distributed and is available at the office for review.

1. Activities Calendar – Reviewed and is on file in the Authority office.
2. Next Board Meeting – Tuesday, July 22, 2025 at 5:00 p.m.
3. Telework Report – Reviewed and is on file in the Authority office.
4. Knoll Woods/Ivy Acres Subdivision – Hurt & Proffitt has submitted the Engineering Report to VDH for review. The proposed solution would provide for a waterline extension down Candler’s Mtn Road and through Knoll Woods Drive. A master meter would be provided for the Ivy Acres community for the existing owner to connect and provide service to the private mobile home park. Authority staff continues to seek out and apply for funding opportunities for this project.

Mr. Wells stated that he received new information that some properties inside the Knoll Woods community are already on private well systems. Mr. Wells will continue to research the number of private wells and will advise the Board if this information leads to another option that should be presented to the VDH. There is a new section and an older section within Knoll Woods, and most of the residents in the new section may be on private wells,

which would be approximately half of the residents that the Authority included in the Engineering Report.

In response to a question raised by Mr. Marstin, if the Authority took over the existing groundwater system, there are four groundwater wells in place, but two of these wells have low pH levels that would need to be adjusted and treated with soda ash and phosphate for corrosion control. These two wells supply 90 percent of the water to the current system.

Mr. Wells distributed a list of current private systems in Campbell County.

Mr. Droog stated that the owner of Mountain Rest Estates, which is located across from Knoll Woods, has expressed interest in making connection to the Authority system once it becomes available.

5. Edmunds GovTech Update – Staff has been having regular check-ins with Edmunds as the go live date approaches. It is anticipated the Authority will go live October 1, 2025 for the financial system and December 1, 2025 for the billing system. Data pulls in preparations for financial implementation were completed on June 4 and June 11, 2025. A business process update was held Friday, June 13, 2025. Authority staff is also beginning to plan how and when to notify customers, likely beginning in September 2025.

In response to a question raised by Mr. Austin, the fee to process payments online will be less with Edmunds GovTech than the current system.

6. Wastewater Master Plan Update – RK&K was issued a task order to begin working to update the Authority's wastewater master plan. A kickoff meeting is scheduled for the week of June 30, 2025. It is hoped the plan will be finalized by Spring 2026.

E. BOARD ACTION ITEMS

E1. 80-2101 Trent's Landing – Phase 3

This project was the third phase of a single-family residential subdivision located on Waterlick Road. The final cost of the Trent's Landing Subdivision – Phase 3 project was \$167,986.40: \$94,890.00 for Central Water and \$73,096.40 for Central Sewer. The Contractor made \$163,127.00 in direct payments for construction and engineering and reimbursed the Authority for \$4,859.40 in closed circuit television inspection expenses. All outstanding invoices have been paid.

Authority staff recommended accepting the Trent's Landing Subdivision – Phase 3 project into the Authority system.

MOTION: Mr. Richardson made a motion, seconded by Mr. Droog that the Trent's Landing Subdivision – Phase 3 project be accepted into the Authority system.

ACTION: Approved Unanimously.

E2. 80-2215 Absolute Storage (Combined with Chick-fil-A)

This project was a two-inch water service to serve Chick-Fil-A on Timberlake Road and reworking the fire service for Absolute Storage. The sewer portion of the project was the installation of a lateral, which was bored under all four lanes of Timberlake Road. The total project cost included \$2,108.22 in betterment costs absorbed by the Authority because this was an economic development project. The final cost was \$126,108.22: \$38,047.50 for Central Water and \$88,060.72 for Central Sewer. All outstanding invoices have been paid.

Authority staff recommended accepting the Absolute Storage/Chick-Fil-A project into the Authority system.

MOTION: Mr. Elliott made a motion, seconded by Mr. Droog that the Absolute Storage/Chick-Fil-A project be accepted into the Authority system.

ACTION: Approved Unanimously.

E3. Camden Village – Phase 2

During the Board meeting, Mr. Wagner received a phone call from a representative of Thomas Builders of Virginia regarding fees for Camden Village – Phase 2. Camden Village – Phase 2 is an apartment complex that is proposed to be constructed on Leesville Road. Thomas Builders had been advised that the contract would need to be executed and an acceptable Bond presented by the June 24, 2025 Board meeting to secure FY24 rates. For information, application fees increased July 1, 2024, but all developments that had been given fee estimates prior to June 30, 2024 were given until the June 2025 Board meeting to enter an agreement at the old rates. Thomas Builders did not make the deadline for Camden Village – Phase 2 and is requesting an extension.

In response to a question raised by Mr. Marstin, Thomas Builders is not ready to post a Bond for Camden Village until they are closer to construction. Mr. Wagner stated that he is hesitant to extend the date for Thomas Builders because Thomas Builders previously entered into a contract for a different project, but the Bond was not received until more than 50 days after execution of the contract. Mr. Wagner stated that an acceptable Bond is expected at execution of the contract. Mr. Wells stated that Mr. Wagner has gone “above and beyond” in reminding contractors that the grace period for the fee increase was approaching.

In response to a question raised by Mr. Richardson, the increase will affect the Camden Village – Phase 2 project by approximately \$2,465,000.

Mr. Wagner stated that the agreement has been drafted and is ready to be executed when Thomas Builders presents the appropriate Bond.

Mr. Wagner stated that Briarwood Mobile Home Park had also planned to pay fees prior to July 1, 2025, but no other developers would be affected by an extension being granted to Thomas Builders for Camden Village – Phase 2.

MOTION: Mr. Marstin made a motion, seconded by Mr. Droog that Thomas Builders of Virginia be given until July 1, 2025 to execute the agreement for Camden Village – Phase

2 at the FY24 rates, but only if an acceptable Bond is received by the July 22, 2025 Board meeting. Should an acceptable bond not be received by the July 22, 2025 CCUSA Board meeting the Agreement is null and void and a new Agreement will have to be executed with fees effective as of July 1, 2024.

ACTION: Approved Unanimously.

E4. ELECTION OF OFFICERS

Chairman Austin announced that in accord with the Authority Bylaws, officers for 2025-2026 are to be elected at this meeting. Nominations for the offices of Chairman, Vice-Chairman, and Secretary and/or Treasurer will be accepted. The present incumbents are Don Austin, Chairman; James Marstin, Vice-Chairman; April Farmer, Treasurer, Wendy Meese, Secretary. The Chairman and Vice-Chairman have been in current office for one year. It has become Authority "tradition" for these positions to remain in office at least two years.

Mr. Austin turned the meeting over to Mr. Wells for the purpose of electing a Chairman.

Mr. Wells called for nominations for office of Chairman.

Mr. Droog nominated Mr. Austin to serve as Chairman for a 1-year term beginning July 1, 2025.

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the nominations for Chairman be closed, and that Mr. Austin be elected to serve as Chairman for a 1-year term beginning July 1, 2025.

ACTION: Approved Unanimously.

Chairman Austin reassumed the chair and called for nominations for the office of Vice-Chairman.

Mr. Droog nominated Mr. Marstin to serve as Vice-Chairman for a 1-year term beginning July 1, 2025.

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the nominations for Vice-Chairman be closed, and that Mr. Marstin be elected to serve as Vice-Chairman for a 1-year term beginning July 1, 2025.

ACTION: Approved Unanimously.

The Chairman called for nominations for the offices of Treasurer.

Mr. Droog nominated Ms. Farmer to serve as Treasurer for a 1-year term beginning July 1, 2025.

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the nominations for Treasurer be closed, and that Ms. Farmer be elected to serve as Treasurer for a 1-year term beginning July 1, 2025.

ACTION: Approved Unanimously.

The Chairman called for nominations for the offices of Secretary.

Mr. Droog nominated Ms. Meese to serve as Secretary for a 1-year term beginning July 1, 2025.

MOTION: Mr. Elliott made a motion, seconded by Mr. Kirkland, that the nominations for Secretary be closed, and that Ms. Meese be elected to serve as Secretary for a 1-year term beginning July 1, 2025.

ACTION: Approved Unanimously.

F. MATTERS FROM THE BOARD

No matters were discussed.

H. ADJOURNMENT

MOTION: Mr. Elliott made a motion, seconded by Mr. Droog, that the Authority meeting be adjourned at 5:34 p.m.

ACTION: Approved Unanimously.

UPON MOTION by Mr. _____, seconded by Mr. _____, these minutes are approved this _____ day of _____, 2025, with _____ of _____ members of the Campbell County Utilities and Service Authority in attendance at time of vote.

ATTESTED:

CERTIFIED BY:

Chairman, Campbell County
Utilities & Service Authority

Secretary, Campbell County
Utilities & Service Authority



CAMPBELL COUNTY UTILITIES & SERVICE AUTHORITY
20644 Timberlake Road
Lynchburg, VA 24502

Agenda: Regular Meeting
July 22, 2025 at 5:00 pm

Place: Authority Office
20644 Timberlake Road
Lynchburg, VA 24502

A. CALL TO ORDER – Mr. Don Austin – Chairman - called the meeting to order at _____ P.M.

A1. <u>MEMBERS</u>	<u>PRESENT</u>	<u>ABSENT</u>	<u>TIME ARRIVED</u>
Don Austin, Chairman	_____	_____	_____
James Marstin, Vice-Chairman	_____	_____	_____
Charlie Droog,	_____	_____	_____
Carter S. Elliott. Jr.	_____	_____	_____
Joe Kirkland	_____	_____	_____
Robert Lee, III	_____	_____	_____
Dan Richardson	_____	_____	_____

A2. COUNTY REPRESENTATION & STAFF PRESENT

Matt Cline, Supervisors' Liaison
Clif Tweedy, P.E., Deputy County Administrator
Jeff Wells, P.E., Executive Director
Tim Wagner, P.E., Engineering Director
Josh Pribble, Field Operations Director
Wendy Meese, Finance Director
April Farmer, Technology Coordinator

B. CITIZEN COMMENT

None expected

C. APPROVAL OF MINUTES

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the Minutes of the June 24, 2025 Board Meeting be approved.

ACTION: _____

D. ADMINISTRATION REPORT - Authority Staff

D1. FINANCIAL REPORT

Summary reports were distributed with the packet and more detailed reports are available upon request. **Please note that very few accruals have been made as of the agenda packet being mailed.**

Year to date:

Revenues:	\$ 9,571,774.90
Expenses:	\$ 6,685,050.22
Budgeted Capital:	\$ 1,884,000.00
Surplus/(Deficit) to date:	\$ 2,886,724.68/ \$ 1,002,724.68
Total "Unencumbered"	\$ 3,502,749.94
Bank Balance 6/30/25:	\$ 3,480,566.75
Investment Balance 6/30/25:	\$ 10,797,529.36
Combined Bank Balance 6/30/25:	\$14,278,096.11

VENDORS

Permanent vendors added since last meeting: (all are easements for Martin Drive Project)

Margie C. Clevinger	Todd & Amy Kahler
Gregory & Cynthia Midda	John & Mary Vormittag
Carlos & Rebecca Arang	Marc & Courtney Hudson
Stevan & Laura Creasy, Jr.	Diane Thompson

Final Bills and other temporary vendors: (address available upon request):

Joe & Katrina Rice	Laura K. Rice
Trish A. Luger	Shelia D. Foster
Michael A. Herzing	John R. Schroll
LCG Properties, LLC	

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the new vendor list for June 2025 be approved.

ACTION: _____

D2. OPERATIONS REPORT

The Operations Superintendent's report was distributed and is available at the office for review.

D3. ENGINEERING REPORT

The Construction Activities Report was distributed and is available at the office for review.

D4. DIRECTORS REPORT

The Director's Report was distributed and is available at the office for review.

E. BOARD ACTION ITEMS

E1. Extension Agreement Amendment – Timberlake Church

This is an Agreement Amendment between the Authority and Timberlake Church for a sanitary sewer extension in connection with a church expansion project. The church is currently using onsite septic and the project will connect them to the CCUSA sewer system- no increase in water usage is expected. The new connection will include 241 feet of sanitary sewer connecting the church with the existing CCUSA main.

The Owner has paid their plan review fees and will pay their inspection fees shortly- a Letter of Credit was issued on July 11, 2025.

MOTION: Mr. _____ made a motion, seconded by Mr. _____, to authorize the Chairman to execute the extension agreement with Timberlake Church for a sanitary sewer extension.

ACTION: _____

E2. Extension Agreement Amendment – The Allure Section 4

This is an Agreement Amendment between the Authority and Yellow Branch Properties, LLC for water & sanitary sewer extensions for phase 4 at The Allure development. The project consists of 121 townhomes in 18 buildings with a total of 2,137 feet of water main and 1,873 feet of sanitary sewer main. The water & sewer extension agreement has been signed and the plan review fees paid. The bond is expected to arrive before July 22nd.

MOTION: Mr. _____ made a motion, seconded by Mr. _____, to authorize the Chairman to execute the extension agreement with Yellow Branch Properties, LLC for a water & sanitary sewer extension.

ACTION: _____

F. MATTERS FROM THE BOARD

This time is to discuss any matters from the Board members.

H. ADJOURNMENT

MOTION: Mr. _____ made a motion, seconded by Mr. _____, that the Authority meeting be adjourned at _____ p.m.

ACTION: _____



**CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY
LYNCHBURG, VIRGINIA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024**



**CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY
LYNCHBURG, VIRGINIA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024**

Prepared By:

The Accounting Department

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

**Annual Comprehensive Financial Report
For the Year Ended June 30, 2024**

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CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Annual Comprehensive Financial Report

For the Year Ended June 30, 2024

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AUTHORITY MEMBERS

Charles A. Droog - Chairman

Donald L. Austin - Vice-Chairman

Wilson L. Dickerson

Carter S. Elliott, Jr.

Joseph C. Kirkland

James R. Marstin

Daniel L. Richardson

Jeffrey S. Wells - Executive Director

April M. Farmer - Treasurer

Wendy C. Meese - Secretary

CAMPBELL COUNTY

EXECUTIVE DIRECTOR
JEFFREY S. WELLS, P.E.
jwells@ccusa-water.com



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(434) 239-8654

OPERATIONS SUPERINTENDENT
JOSHUA S. PRIBBLE
jspribble@ccusa-water.com

Fax
(434) 237-5820

UTILITIES AND SERVICE AUTHORITY

20644 TIMBERLAKE ROAD, LYNCHBURG, VIRGINIA 24502

January 31, 2025

To the Members of the Authority Board, Customers, and Interested Parties:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Campbell County Utilities and Service Authority (the "Authority") for the fiscal year ended June 30, 2024. The ACFR was prepared by the Authority in conformity with U.S. Generally Accepted Accounting Principles (GAAP) with emphasis on disclosure of the financial activities of the Authority. Responsibility for both the completeness and reliability of the information, including all disclosures, rests with the Authority, and is based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. To the best of our knowledge and belief, the enclosed financial data is accurate in all material respects and fairly presents the financial position, results of operations, and cash flows of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

The basic financial statements have been audited by our independent auditors, Robinson, Farmer, Cox Associates, who have issued an unmodified ("clean") opinion on the financial statements of the Authority as of and for the year ended June 30, 2024. The audit was conducted in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standard*, issued by the Comptroller General of the United States; and Specifications for audits of Authorities, Boards and Commissions, issued by the Auditor of Public Accounts for the Commonwealth of Virginia. The annual audit is planned and performed to obtain reasonable, rather than absolute, assurance that the basic financial statements of Campbell County Utilities and Service Authority are free of any material misstatement. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read with it.

Profile

The Authority was created by a resolution of the Board of Supervisors of Campbell County, Virginia (the "County") in 1964 according to the Virginia Water and Waste Authorities Act. The Authority was created for the purposes of acquisition, construction, operation, and maintenance of a water system for the supply and distribution of water and of sewer and sewage disposal systems. It is possible the Authority will also become responsible for stormwater management and/or garbage and refuse collection and disposal within Campbell County once directed by the Campbell County Board of Supervisors.

The Authority is a separate entity from Campbell County and financial data included in the accompanying ACFR is not included in the financial information of Campbell County. It is commonly misinterpreted that the Authority receives tax revenue and other assistance from the County, but the Authority operates using its own revenue sources. There have been two projects over the past 20 years that the County saw as beneficial to its overall Master Plan that were not financially conducive to the Authority, so the County agreed through moral obligation to fund the financing of these two projects.

The management of the Authority is vested in a board of seven members appointed by the Campbell County Board of Supervisors. The Authority Board hired an Executive Director who is responsible for the daily functions of the Authority.

As of June 30, 2024, the Authority had 9,167 water connections and 3,216 sewer connections. A large portion of Campbell County remains rural, so it is not economically feasible to extend water or sewer lines to all of the population of Campbell County. The Authority serves 11,844 equivalent residential units (ERU's); therefore, it is estimated that the Authority provides water to approximately 29,610 of the estimated 55,270 residents of Campbell County. Sewer main extensions are substantially more expensive, and the Authority provided sewer treatment services to approximately 4,420 ERU's, or an estimated 11,050 Campbell County residents. These figures do not include connections to commercial, industrial, or governmental facilities.

Services Provided

The Authority provides service through 197.9 miles of water line and 57.79 miles of sewer mains. Prior to 1986, the Authority purchased all water from the City of Lynchburg to distribute to its customers; however, in the early 80's, due to rising costs of purchasing water being out of the Authority's control, the Authority Board and staff determined it was time to construct a water plant for the Authority to have some separation and independence from the City of Lynchburg. The Authority continues to purchase water from the City of Lynchburg to serve a small portion of its residential customers and along the Mount Athos corridor to serve a large business. The Authority has access to the City of Lynchburg supply in case of emergency.

The Authority provides sewer treatment services to the Rustburg area within Campbell County, for 214 customers. This number includes residential, commercial, and governmental. The treatment

for the remaining customers in Campbell County is provided by purchasing these services from the City of Lynchburg. The Authority currently owns one million gallons per day of capacity in the Lynchburg Sewer Treatment Plant and could purchase more capacity if it becomes necessary in the future. The Authority pays for the treatment services as well as a portion of the sewer capital expenses for the City.

The Authority has a contract to serve the County and Town of Appomattox on a wholesale basis with a minimum daily requirement of 31,000 gallons per day, but current usage exceeds the minimum requirement.

The Authority has a contract to serve the Town of Altavista on a wholesale basis with a minimum daily requirement of 75,000 gallons per day from April 1 to October 31 of each year. There is no minimum requirement November 1 to March 31 of each year.

*Economic
Conditions
and
Outlook*

Campbell County experienced an explosion of growth in 2008, but now experiences modest growth and has much opportunity for future growth. The Authority has benefited from growth of a local university and multi-family housing developments.

Campbell County Board of Supervisors has a Master Plan for Campbell County that attempts to balance residential growth with commercial development. All proposed developments must first be approved by Campbell County to ensure it fits into Campbell County's Master Plan.

In 2012, the Authority created a base fee for sewer customers to offset the cyclical nature of growth. Before the base fee was created, Authority water customers subsidized wastewater capital projects. The Authority also slightly increased the water base fee to fund water capital projects. In July 2023, the Authority increased usage rates for water and sewer as well as base fees for both water and sewer for the first time since July 1, 2012. The Authority's overall fees remain competitive with other Authorities surrounding Campbell County.

*Internal
Control
Structure
and
Budgetary
Controls*

The Authority's management is responsible for establishing and maintaining a system of internal accounting controls. The objectives of internal controls are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that those financial records for preparing financial statements and preparing financial statements and maintaining asset accountability are reliable. Accounting functions are separated to the extent possible for a small-sized staff.

The Authority prepares an annual budget for current expenses and capital outlays, but also uses reasonable estimates of upcoming expenses to prepare a five-year plan which is used to assure that short and long-term financial objectives are being met. The Authority ensures that deficits and surpluses will be balanced during that five-year budget projection.

The proposed budget is presented to the Board for review and a Budget Committee of two Board members is assigned to evaluate each budgetary item.

Division managers participate in the budgeting process and are responsible for the budgetary items that are controllable within their division. The Accounting Manager is responsible for general Authority costs as well as monitoring expenses of the Authority as a whole. Budgetary control is exercised with the understanding that budget amounts (both revenue and expenses) are projections of anticipated service levels. Expenses are evaluated at year-end, whether they are under- or over-budget, to ensure they were made consistently with Authority policies.

*Relevant
Financial
Policies*

Investments are made according to limitations outlined in the Authority's Agreement of Trust with its Bond Trustee. Investments are made to safeguard principal, meet liquidity objectives, and seek fair value rates of return within the parameters of the Code of Virginia.

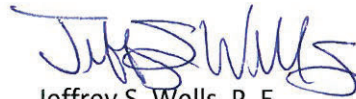
Awards

The accompanying ACFR is the thirteenth to be submitted to the Government Finance Officers Association (GFOA) on behalf of the Authority. To be awarded, the Authority had to publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable legal requirements. The Authority was awarded its first Certificate of Achievement for fiscal year 2012.

A Certificate of Achievement (if awarded) would be valid for a period of one year only. We believe that our ACFR will meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for the Authority.

We would like to thank the Authority Board Members for their dedicated and conscientious management of the Authority's operations and being diligent stewards of funds on behalf of the customers of Campbell County Utilities and Service Authority. These efforts are reflected in the accompanying information.

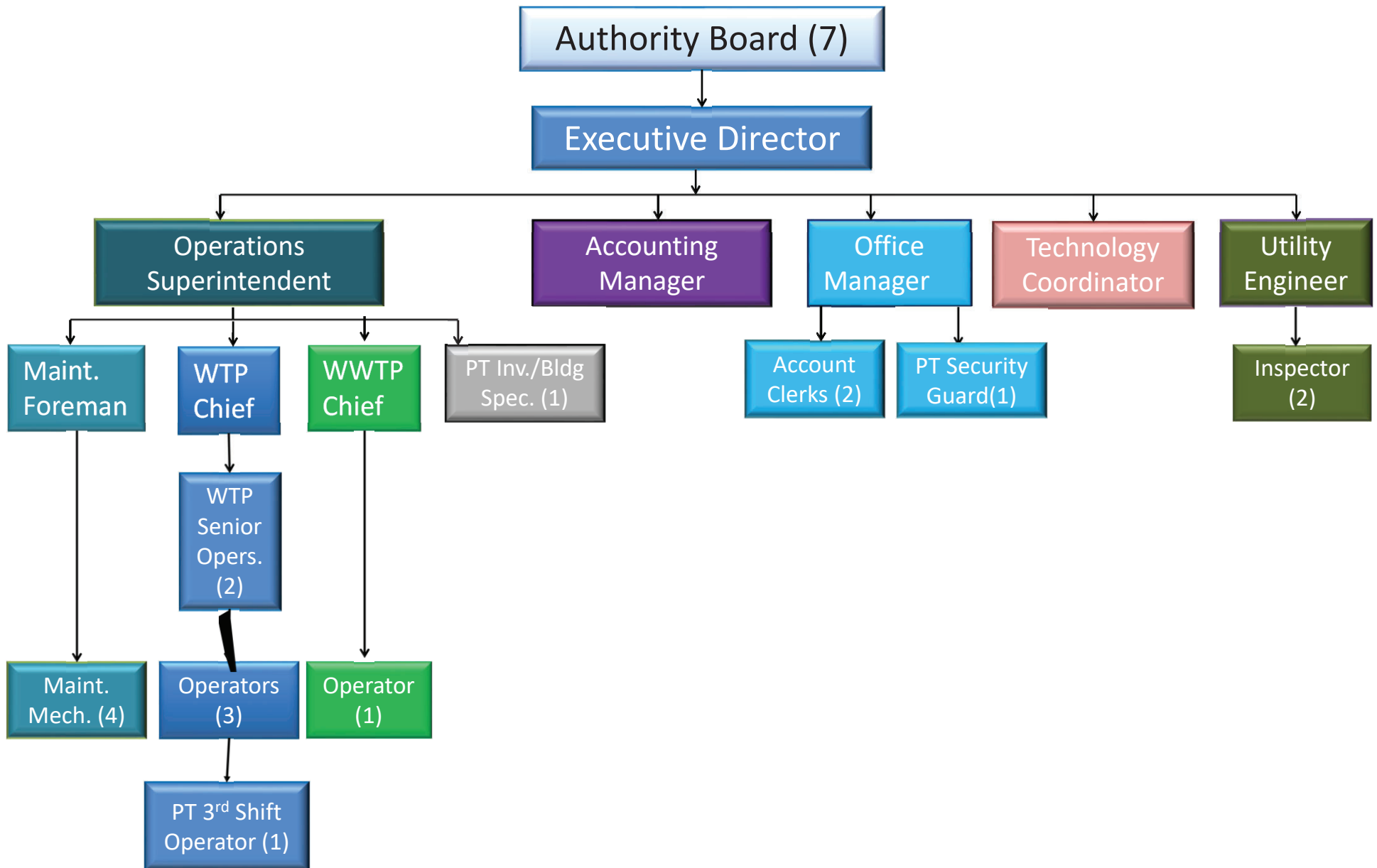
Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jeffrey S. Wells".

Jeffrey S. Wells, P. E.
Executive Director

CCUSA ORGANIZATIONAL CHART

June 30, 2024





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Campbell County Utilities and Service Authority
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrell

Executive Director/CEO



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

To the Honorable Board Members
Campbell County Utilities and Service Authority
Lynchburg, Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Campbell County Utilities and Service Authority, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Campbell County Utilities and Service Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Campbell County Utilities and Service Authority, as of June 30, 2024, and the changes in financial position and cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Campbell County Utilities and Service Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Campbell County Utilities and Service Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Campbell County Utilities and Service Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Campbell County Utilities and Service Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Campbell County Utilities and Service Authority's basic financial statements. The accompanying supporting schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supporting schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2025, on our consideration of Campbell County Utilities and Service Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Campbell County Utilities and Service Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Campbell County Utilities and Service Authority's internal control over financial reporting and compliance.

Robinson, Farnell, Cox Associates

Charlottesville, Virginia
January 31, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

To the Board Members of Campbell County Utilities and Service Authority Lynchburg, Virginia

As management of Campbell County Utilities and Service Authority, (the "Authority"), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2024.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The financial statements are comprised of only two components: 1) financial statements and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Financial statements

The *Statement of Net Position* presents information on the Authority's assets and liabilities as well as deferred inflows and outflows of resources, with the difference between these is reported as net position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or declining.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., earned but unused compensated absences).

The basic financial statements can be found on pages 22 through 25 of this report.

Notes to financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 26 through 54 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Authority's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found in Exhibits 4 through 9 of the Required Supplementary Information (pages 56 through 62).

Financial Highlights

- The Authority's total assets and deferred outflows of resources totaled \$86,897,447. Liabilities and deferred inflows of resources totaled \$6,144,495. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$80,752,952 (Total Net Position), of which \$13,104,324 is unrestricted and may be used to meet the Authority's ongoing obligations to customers and creditors compared to \$76,581,407 net position with \$10,893,745 unrestricted net position at the close of fiscal year 2023 and \$74,162,996 net position with \$10,174,954 unrestricted net position at the close of fiscal year 2022.

Financial Highlights: (Continued)

- The Authority's total net position increased by \$4,171,545; however, 44.0% of this increase was attributable to capital contributions from developers. The percentage of increase in total net position due to capital contributions was 47.6% in FY23 and 44.3% in FY22. The Authority is currently investing in its own capital by upgrading aging lines, rehabilitating facilities, and replacing equipment; this capital outlay is not providing growth for the system but is ensuring reliable service is provided to Authority customers.
- The Authority's total liabilities increased by \$308,575 this fiscal year from FY23 compared to an increase of \$368,522 in FY23 from FY22 and a decrease of \$886,030 in FY22 from FY21. While the Authority experienced an increase in FY24, the Authority has experienced a total decrease of \$360,446 over the past five fiscal years.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

Table 1
Summary of Statement of Net Position
At June 30, 2023 and 2024

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Current assets	\$ 15,021,190	\$ 12,416,237
Capital assets	70,284,758	68,812,242
Other noncurrent assets	97,911	303,972
Restricted assets	<u>789,463</u>	<u>786,397</u>
Total assets	\$ <u>86,193,322</u>	\$ <u>82,318,848</u>
Deferred outflows	\$ 704,125	635,419
Total assets and deferred outflows	\$ <u><u>86,897,447</u></u>	\$ <u><u>82,954,267</u></u>
Current liabilities	\$ 1,377,341	\$ 919,405
Long-term liabilities	<u>4,371,267</u>	<u>4,520,628</u>
Total liabilities	\$ <u>5,748,608</u>	\$ <u>5,440,033</u>
Deferred inflows	\$ <u>395,887</u>	\$ <u>932,827</u>
Net investment in capital assets	\$ 67,148,628	\$ 65,187,662
Restricted	500,000	500,000
Unrestricted	<u>13,104,324</u>	<u>10,893,745</u>
Total net position	\$ <u>80,752,952</u>	\$ <u>76,581,407</u>
Total liabilities, deferred inflows, and net position	\$ <u><u>86,897,447</u></u>	\$ <u><u>82,954,267</u></u>

- The Authority's combined net position increased by \$4,171,545 during the year compared to an increase of \$2,418,411 in the previous fiscal year and \$3,878,215 in fiscal year 2022.

Financial Highlights: (Continued)

Statement of Net Position: (Continued)

The following table shows the revenues and expenses of the Authority during the fiscal year:

Table 2
Changes in Net Position
At June 30, 2023 and 2024

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Operating revenues:		
Water sales, charges and sewer service charges	\$ 7,715,221	\$ 6,947,505
Total operating revenues	\$ 7,715,221	\$ 6,947,505
Operating expenses:		
Source of supply	\$ 1,219,845	\$ 1,195,399
Wastewater treatment	695,299	493,297
Maintenance and inspection	888,067	1,022,455
Personnel	2,874,288	2,531,627
Administrative and general	551,221	527,643
Depreciation	1,824,334	1,821,493
Total operating expenses	\$ 8,053,054	\$ 7,591,914
Net income (loss) from operations	\$ (337,833)	\$ (644,409)
Nonoperating revenues (expenses):		
Interest income	\$ 358,876	\$ 16,106
Interest expense	(57,304)	(58,196)
Grant from Campbell County	92,415	91,838
Grant from VRA	-	373,518
Other nonoperating expenses	(130,315)	(135,826)
Total nonoperating revenues (expenses)	\$ 263,672	\$ 287,440
Net income (loss) before capital contributions	\$ (74,161)	\$ (356,969)
Capital contributions	4,245,706	2,775,380
Change in net position	\$ 4,171,545	\$ 2,418,411
Net position - beginning of year	76,581,407	74,162,996
Net position - end of year	<u>\$ 80,752,952</u>	<u>\$ 76,581,407</u>

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of an Authority's financial position. By far the largest portion of the Authority's net position (81.5%) reflects investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide services to its customers; consequently, these assets are *not* available for future spending.

Financial Analysis: (Continued)

Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Operating revenues increased by \$767,716 and operating expenses including depreciation and amortization increased by \$458,299 from FY 2023. Key elements of these changes are as follows:

- Capital Contributions from developers in the form of dedicated facilities were \$1,834,787. These included water transmission and distribution lines, sewer mains, service lines and laterals.
- Water and sewer user rates were increased in FY24. This was the first increase in rates since July 2012. User fees went into effect with customer invoices dated September 1, 2023 and later. Retail water consumption and meter service charges fell short of budgeted projections by 0.5% or \$27,073 but sewer revenue exceeded forecasts by 14.95%, or \$236,276.
- Capital Recovery Fees (formerly "Availability Fees") for water and sewer both exceeded budget expectations in FY24. Water Capital Recovery Fees exceeded budget projections by 25.7%, or \$165,756. Capital Recovery Fees for sewer exceeded budget projections by 17.5%, or \$118,675. Authority staff and the Budget Committee (the Budget Committee consists of two Authority Board members) are conservative when preparing the budget for Capital Recovery Fees and do not normally rely on one-time fees to fund ongoing operations.

Capital Asset and Debt Administration

Capital Assets - The Authority's investment in capital assets as of June 30, 2024, net of accumulated depreciation was \$70,284,758. Investment in Capital Assets grew approximately 3.0% during FY24. Investments in capital assets grew 2.7% during FY23 and 2.1% in FY22.

The Authority Board encumbered \$1,719,500 for capital projects throughout the year.

Additional information on the Authority's capital assets can be found in Note 3 to the financial statements.

Long-Term Obligations – At the end of the fiscal year, the Authority had \$4,934,015 in Long-Term Debt. Long-term debt obligations consists of bonds and notes outstanding, compensated absences, net opeb liability and net pension liability. The Authority had \$5,062,591 long-term debt at the end of FY23, a decrease of 3.3%. Campbell County pays a portion of the bond payments through a moral obligation agreement (\$92,415 in FY24). The noncurrent portion of compensated absences accounted for approximately 2.88% of long-term liabilities.

More detailed information on the Authority's long-term liabilities is presented in Note 5 of the Notes to the Financial Statements.

Review of Operations:

Operating Revenues - Total Operating Revenue increased approximately 11.1%. Operating Revenue increased in FY23 from FY22 by 3.5%. A comparison of the current fiscal year's actual and budgeted income is found on Schedule 2 under Supporting Schedules of the Financial Section. Operating Revenues exceeded budget projections by \$258,871, or 3.47%.

Review of Operations: (Continued)

Operating Expenses - Operating Expenses before depreciation and amortization were less than budget projections by 3.1% (or \$202,398). Operating Expenses before depreciation and amortization increased from FY23 Operating Expenses by approximately 7.9% (or \$458,299).

Overall expenses in the **Personnel division** increased by approximately 13.5%, or \$342,661. Authority employees were given a 7% cost of living adjustment and step increases were given to nine employees according to longevity. Other than salaries, the Health Insurance, Retirement and FICA line items also experienced large increases.

Expenses in the **Administrative and General division** increased by 4.5% for fiscal year 2024. One of the main reasons for this increase is due to the Equipment Contracts line item. The Office Equipment Contracts line item contains several subcategories including but not limited to network equipment, warranties, system updates, and technology support. The line items for postage, bank service fees, and office supplies also experienced increases in FY24. Bank service fees increased because the Authority entered a contract with Invoice Cloud to provide online customer access in FY23. The fees for this service are included in bank service fees.

Expenses for the **Source of Supply division** (Expenses at the Water Treatment Plant) increased by 2.0% from fiscal year 2023. The main increase in this division was the increase in fees for water treatment from the City of Lynchburg. The Authority purchases water from the City of Lynchburg to serve BWXT and some residential customers located in the Vista Acres and Old Rustburg Road areas. There were also large increases in the Maintenance line and the Equipment and Supplies line. Both of these lines are affected by leaks in the Authority water lines.

Expenses for the **Wastewater Treatment division** increased 40.9% in FY24, or \$202,002. The largest increase was in the Purchase Services Lynchburg line item, which includes treatment expenses for sewage treated at the Lynchburg Regional Wastewater Treatment Facility. This line item accounted for \$169,677 of the increase in this division. There were also increases in the Maintenance line and the Equipment and Supplies line.

Expenses in the **Maintenance and Inspection division** decreased 13.1% from FY23. Leak repairs and other required labor in the system are charged to the "Maintenance" line item within this division, resulting in fluctuations in this line item from year to year. The Authority had increases in the Maintenance line and the Equipment and Supplies line in FY24; however, the overall expenses in FY24 were less than the expenses experienced in FY23 from leaks experienced in a 2-mile stretch of Authority waterline that was found to be impacted by corrosive soil in FY23. The Authority began a capital project in FY24 to replace 2-miles of waterline that caused issues in FY23.

The **Naruna division** continues to be a small portion of overall Authority expenses with overall expenses of \$17,324 in FY24, an increase of 7.8% from FY23.

A summary of the current fiscal year's actual and budgeted expenses is found on Schedules 4 and 5 under Supporting Schedules of the Financial Section. A comparative summary of Authority financial data for FY24 and the previous nine years can be found in Table 2 in the Statistical Section.

Non-Operating Income and Expenses - Non-Operating items are items not directly related to Operations; they reflect more how the business is financed. They include such items as interest income and interest expense, Capital Recovery Fees, grants, and contributions in aid to construction by various parties. Investments made by the Authority are tightly regulated as to the type of investments that can be made in the financial markets. Please see Note 2 in the Notes to Financial Statements for a discussion as to the statutes governing the investment of Authority funds. The Authority invested in U.S. Treasury notes in August 2023, resulting in an increase in interest income by approximately \$340,000 in FY24.

Review of Operations: (Continued)

Interest Expense decreased approximately 1.5% this fiscal year. Revenue from Capital Recovery Fees exceeded budget projections for water and sewer, as was previously explained in more detail under the heading “Financial Analysis.” Capital Recovery Fees are used to fund capital asset projects and to help pay interest expense on the long-term debt; however, in FY12, the Authority Board created a Base Fee for sewer customers so that Capital Recovery Fees would not be the sole source to fund capital asset projects. Both the Water Base Fee and the Sewer Base Fee were increased by \$1 in FY24. These fees have not increased since FY13. The Authority increased usage fees in FY24 by \$0.30 for water and \$0.80 for sewer.

Contributions in Aid to Construction (CIAC) recognized in FY24 totaled \$1,834,787. Developers construct water and sewer infrastructure as they develop properties and then the infrastructure is “dedicated” to the Authority for future maintenance.

An agreement with Campbell County directs that the Authority is to forward any Aid to Construction Fees that are collected in the Leesville Road Billing zone to the County as well as twenty percent of usage fees from all customers served in this billing zone until the bond to fund the project is paid in full. This is in accordance with the agreement with the County to assist in the funding of the project.

Trends in Operations

Connection Growth – Table 14 containing new connections over the last 10 Fiscal Years is in the Statistical section of this report. The average growth of water customers over the last 10 years is approximately 1.65% per year. Growth reflected in new water connections made in FY24 was 2.2%. The average annual growth of sewer customers over the last 10 years was approximately 3.82%, but the Authority experienced growth of 4.5% in FY24.

User Rates – The Authority increased user rates and base fees in FY24 for the first time since FY13. Page 79 in the Statistical Section lists the user rates for water and sewer as well as existing connection, Capital Recovery Fees, and Construction Fees in place at fiscal year end.

Long Term Debt - The Authority refinanced its two 2011 Bond issues in December 2020, saving approximately \$235,000 over the life of the Bonds. The Revenue Bond Compliance report can be found on page 84 in the Statistical Section. Bond covenants require the Authority to maintain Debt Service Coverage Ratio of 1.15. The actual debt coverage achieved in FY24 was 8.36%. Approximately 7.4% of the Authority’s operating revenue was used to fund bond payments in fiscal year 2024 as compared to 7.6% in FY23 (including non-operating revenue but not including Contributions in aid of construction, this calculation would have been 5.4% in FY24 and 6.1% in FY23.)

Summary – The Authority had a successful year in its operations. The Authority had adequate debt service coverage for the year. The Authority had a positive change in net position of \$2,336,758 before capital contributions this year.

Requests for Information

This financial report is designed to provide a general overview of Campbell County Utilities and Service Authority’s finances for all those with an interest in the Authority’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Mr. Jeffrey S. Wells, at 20644 Timberlake Road, Lynchburg, Virginia 24502.

Basic Financial Statements

Statement of Net Position
At June 30, 2024**ASSETS**

Current assets:

Cash and cash equivalents	\$ 12,761,112
Accounts receivable	1,388,978
Leases receivable, current portion	206,061
Inventory	665,039
Total current assets	<u>\$ 15,021,190</u>

Noncurrent assets:

Restricted assets:

Cash and cash equivalents - debt service	<u>\$ 789,463</u>
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Leases receivable, net of current portion	<u>\$ 97,911</u>
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Capital assets:

Land and land rights	\$ 324,183
Structures and improvements	28,082,230
Water and sanitary sewer mains and improvements other than structures	65,785,210
Machinery and equipment	5,586,603
Other	1,160,244
Lynchburg facilities capacity	4,182,394
Construction in progress	4,237,010

Total capital assets	\$ 109,357,874
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Less accumulated depreciation	<u>(39,073,116)</u>
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Net capital assets	<u>\$ 70,284,758</u>
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Total noncurrent assets	<u>\$ 71,172,132</u>
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Total assets	<u>\$ 86,193,322</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred amounts on refunding	\$ 77,126
Pension deferrals	605,386
OPEB deferrals	21,613
Total deferred outflows of resources	<u>\$ 704,125</u>

Statement of Net Position
At June 30, 2024 (Continued)

LIABILITIES

Current liabilities:

Accounts payable and accrued expenses	\$ 789,282
Accrued interest payable	8,062
Advances for construction	17,249
Compensated absences, current portion	41,942
Notes payable, current portion	58,895
Revenue bonds payable, current portion	461,911
Total current liabilities	\$ 1,377,341

Noncurrent liabilities:

Net pension liability	\$ 1,472,878
Net OPEB liability	80,114
Compensated absences, noncurrent portion	125,825
Notes payable, noncurrent portion	590,132
Revenue bonds payable, noncurrent portion	2,102,318
Total noncurrent liabilities	\$ 4,371,267
Total liabilities	\$ 5,748,608

DEFERRED INFLOWS OF RESOURCES

Pension deferrals	\$ 101,729
OPEB deferrals	13,188
Lease deferrals	280,970
Total deferred inflows of resources	\$ 395,887

NET POSITION

Net investment in capital assets	\$ 67,148,628
Restricted:	
Debt service	500,000
Unrestricted	13,104,324
Total net position	\$ 80,752,952

The accompanying notes to financial statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2024

Operating revenues:	
Water sales, charges and sewer service charges	\$ <u>7,715,221</u>
Operating expenses:	
Source of supply	\$ 1,219,845
Wastewater treatment	695,299
Maintenance and inspection	888,067
Personnel	2,874,288
Administrative and general	<u>551,221</u>
Total operating expenses before depreciation	\$ <u>6,228,720</u>
Depreciation	\$ <u>1,824,334</u>
Operating income (loss)	\$ <u>(337,833)</u>
Nonoperating revenues (expenses):	
Interest income	\$ 358,876
Interest expense	(57,304)
Grant from Campbell County	92,415
Other nonoperating expenses	<u>(130,315)</u>
Total nonoperating revenues (expenses)	\$ <u>263,672</u>
Income (loss) before capital contributions	\$ <u>(74,161)</u>
Capital contributions:	
Capital recovery fees	\$ 1,606,431
Connection fees	170,769
Sewer capacity fee	633,719
Capital contributions	<u>1,834,787</u>
Total capital contributions	\$ <u>4,245,706</u>
Change in net position	\$ 4,171,545
Net position - beginning of year	<u>76,581,407</u>
Net position - end of year	\$ <u><u>80,752,952</u></u>

The accompanying notes to financial statements are an integral part of this statement.

Statement of Cash Flows
For the Year Ended June 30, 2024

Cash flows from operating activities:	
Receipts from customers and users	\$ 7,709,481
Payments to/for employees	(2,672,488)
Payments to suppliers/others	(3,206,587)
Net cash provided by (used for) operating activities	\$ 1,830,406
Cash flows from capital and related financing activities:	
Acquisition of capital assets	\$ (1,462,065)
Contributions from governmental units	92,415
Capital recovery fees	1,606,431
Connection fees	170,769
Sewer capacity fee	633,719
Retirement of indebtedness	(507,731)
Interest on long-term debt	(39,245)
Net cash provided by (used for) capital and related financing activities	\$ 494,293
Cash flows from investing activities:	
Interest income	\$ 358,876
Sale of investments	286,397
Net cash provided by (used for) investing activities	\$ 645,273
Net increase (decrease) in cash and cash equivalents	\$ 2,969,972
Cash and cash equivalents at beginning of year (includes restricted cash)	10,580,603
Cash and cash equivalents at end of year (includes restricted cash)	\$ 13,550,575
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (337,833)
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	1,824,334
Other nonoperating expenses	(130,315)
Changes in operating assets, deferred outflows, liabilities, and deferred inflows:	
(Increase) decrease in:	
Accounts receivable	(21,463)
Leases receivable	463,295
Prepaid items	5,192
Inventory	(165,406)
Pension deferrals - deferred outflows of resources	(87,624)
OPEB deferrals - deferred outflows of resources	(363)
Increase (decrease) in:	
Accounts payable and accrued expenses	438,374
Net pension liability	371,618
Net OPEB liability	42
Compensated absences	7,495
Lease deferrals - deferred inflows of resources	(447,572)
OPEB deferrals - deferred inflows of resources	(5,674)
Pension deferrals - deferred inflows of resources	(83,694)
Net cash provided by (used for) operating activities	\$ 1,830,406
Supplemental Disclosure:	
Noncash investing, capital, and financing activities:	
Capital assets contributed	\$ 1,834,787

The accompanying notes to financial statements are an integral part of this statement.

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Business and Reporting Entity:

Organization and Purpose:

The Campbell County Utilities and Service Authority (the “Authority”) was established on November 24, 1964 by resolution of the Board of Supervisors of Campbell County, Virginia (the “County”) and was chartered by the Commonwealth of Virginia State Corporation Commission in December 1964 to provide water and sewer services to County residents as permitted under the Code Virginia (1950) as amended (The “Enabling Act”).

The Enabling Act provides that the Authority is authorized, subject to the restrictions of the Authority’s articles of incorporation, among other things, (1) to acquire, construct, improve, operate and maintain any water system or sewage disposal system, (2) to issue revenue bonds of the Authority payable solely from revenues to pay all or any part of the cost of water system or sewage disposal system, (3) to fix, revise, charge and collect rates, fees and charges for the use of and for the services furnished by any system operated by the Authority and, (4) to enter into contracts with any unit, including counties and cities, and authorities, relating to the furnishing of services of any water system or sewage disposal system of the Authority. The Enabling Act also provides that the Authority is subject in all respects to the jurisdiction of the Virginia State Water Control Board pursuant to the provisions of the State Water Control Law.

Financial Reporting Entity:

The Authority has determined that it is a related organization to Campbell County. The Authority is a legally separate organization whose Board members are appointed by the Campbell County Board of Supervisors. Since the Board of Supervisors cannot impose its will on the Authority and since there is no potential financial benefit (or burden) in the relationship, the Board of Supervisors is not financially accountable for the Authority. Accordingly, the Authority is not considered a component unit of the County.

Financial Statement Presentation:

Basic Financial Statements - Since the Authority is only engaged in business-type activities, it is required to present only the financial statements required for enterprise funds. For the Authority, the basic financial statements and required supplementary information consist of:

- Management’s discussion and analysis
- Enterprise fund financial statements
 - Statement of Net Position
 - Statement of Revenues, Expenses, and Changes in Net Position
 - Statement of Cash Flows
 - Notes to Financial Statements

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Financial Statement Presentation: (Continued)

- Required Supplementary Information
 - Schedule of Changes in Net Pension Liability and Related Ratios
 - Schedule of Employer Contributions - Pension Plan
 - Notes to Required Supplementary Information - Pension Plan
 - Schedule of Authority's Share of Net OPEB Liability Group Life Insurance Plan
 - Schedule of Employer Contributions Group Life Insurance Plan
 - Notes to Required Supplementary Information Group Life Insurance Plan

Basis of Accounting - Campbell County Utilities and Service Authority operates as an enterprise fund, uses the flow of economic resources measurement focus, and its accounts are maintained on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded as liabilities when incurred, without regard to receipt or payment of cash. The Authority accrues revenue for services rendered but not yet billed at the end of the fiscal year.

The Authority distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Restricted Assets - Certain proceeds of the Authority's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

Cash and Cash Equivalents - Cash and cash equivalents include cash on hand, amounts in demand deposits, and short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments - Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, other nonparticipating investments, and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Materials and Supplies Inventory - Inventories are valued at cost, using the first-in, first-out method of valuation.

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Capital Assets and Depreciation - Purchased and constructed capital assets in service are recorded at historical cost. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Capital assets acquired by the Authority through contributions, such as from developers, are capitalized and recorded in the accounts at acquisition value on the date accepted. The Authority provides for depreciation of capital assets in service on the straight-line method at amounts estimated to amortize the cost of assets over their estimated useful lives, as follows:

Structures and Improvements	20 to 66-2/3 years
Lynchburg Facilities Capacity	66-2/3 years
Other	66-2/3 years
Equipment	5 to 10 years

When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in results of operations. Depreciation expense for the year ended June 30, 2024 was \$1,824,334. Included in depreciation expense was \$163,373 charged to Lynchburg Facilities Capacity.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Allowance for Uncollectible Accounts - The Authority calculates its allowance for specific accounts using historical collection data and, in certain cases, specific account analysis. Historical collection data indicates that any uncollectible amounts would be negligible. Management believes that any accounts that may be written off would not be significant. Accordingly, no allowance for uncollectible accounts has been established.

Budgetary Comparison Schedules - The “Schedule of Revenues-Budget and Actual” for the Central/Rustburg Division and the Naruna Division and the “Schedule of Expenses-Budget and Actual” for the Central/Rustburg Division and the Naruna Division, compare budget and actual data. Although a budget is not legally required to be adopted, a fiscal year budget is prepared for management and fiscal planning purposes and is required under the Agreement of Trust for the 1993 bond issue dated October 1, 1993 amended and supplemented by the First Supplemental Agreement of Trust dated March 15, 1997, the Second Supplemental Agreement of Trust dated September 1, 1999, the Third Supplemental Agreement of Trust dated June 1, 2001, the Fourth Supplemental Agreement of Trust dated August 15, 2003, the Fifth Supplemental Agreement of Trust dated January 7, 2004, and the Sixth Supplemental Agreement of Trust dated June 15, 2005. Budgetary control is exercised at the departmental level. Any changes to the budget as adopted require Board approval. A review of budgetary comparisons presented herein will disclose how accurately the Authority was able to forecast its revenues and expenses. Budgets are not adopted for the Capital Division.

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Unbilled Revenue - The Authority bills service charges to customers on a bi-monthly basis. Service charges earned but unbilled are accrued based on the last billing. These items are reported in the financial statements as a part of receivables and revenues. The amount of estimated unbilled revenue included in accounts receivable totaled \$508,222.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from those amounts.

Net Position - For the Authority, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the Authority financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Deferred Outflows/Inflows of Resources In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has several types of items that qualify for reporting in this category. Certain items related to pension, OPEB liability, and leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Long-Term Obligations - Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's Retirement Plan and the additions to/deductions from the Authority's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

Group Life Insurance

For purposes of measuring the net GLI OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI OPEB Plan and the additions to/deductions from the VRS GLI OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 - DEPOSITS AND INVESTMENTS:

Deposits:

Deposits with banks are covered by the Federal Deposit Insurance Corporation (the FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments:

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper that has received at least two of the following ratings: P-1 by Moody's Investors Service, Inc.; A-1 by Standard & Poor's; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

The Authority does not have a formal investment policy that addresses credit risk or interest rate risk.

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS: (CONTINUED)

Credit Risk of Debt Securities:

The Authority's rated debt investments as of June 30, 2024 were rated by Standard & Poor's and the ratings are presented below using the Standard & Poor's rating scale. The Authority's investment policy has an emphasis on high credit quality and known marketability. Holdings of commercial papers are required to be rated no lower than Standard & Poor's A-1 and Moody's Investors Service P-1.

<u>Authority's Rated Debt Investments</u>		
<u>Investment</u>	<u>S&P Rating</u>	<u>Value</u>
U.S. Government Securities		
Money Market Funds	AAAm	\$ 320,040
Total investments		<u>\$ 320,040</u>

Interest Rate Risk:

<u>Investment Maturities (in years)</u>		
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>
U.S. Government Securities		
U.S. Treasury Notes	\$ 10,293,618	\$ 10,293,618
Total investments	<u>\$ 10,293,618</u>	<u>\$ 10,293,618</u>

Funds held by US Bank as trustee for revenue bonds:

2020 Revenue Bonds:	
Revenue bond debt service	\$ 289,463
Other funds:	
Minimum balance required by 1993 bond indenture	<u>500,000</u>
Total restricted assets	<u>\$ 789,463</u>

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS: (CONTINUED)

Fair Value Measurements:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The Authority maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date
- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices
- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or liability

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

The Authority has the following recurring fair value measurements as of June 30, 2024:

		Fair Value Measurements Using		
Investment Type	6/30/2024	Quoted Prices in	Significant	Significant
		Active Markets or	Other Observable	Unobservable
		Identical Assets	Inputs	Inputs
		(Level 1)	(Level 2)	(Level 3)
U.S. Government Securities				
Money Market Funds	\$ 320,040	\$ 320,040	\$ -	\$ -
U.S. Treasury Notes	10,293,618	10,293,618		
Total investments	\$ 10,613,658	\$ 10,613,658	\$ -	\$ -

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 3 - CAPITAL ASSETS:

Details of changes in capital assets for the fiscal year ended June 30, 2024 are as follows:

	Balance July 1, 2023	Additions	Retirements and other reductions	Balance June 30, 2024
Capital assets not being depreciated:				
Land and land rights	\$ 324,183	\$ -	\$ -	\$ 324,183
Construction in progress	3,053,850	2,965,438	1,782,278	4,237,010
Total capital assets not being depreciated	\$ 3,378,033	\$ 2,965,438	\$ 1,782,278	\$ 4,561,193
Capital assets being depreciated:				
Structures and improvements	\$ 27,472,500	\$ 609,730	\$ -	\$ 28,082,230
Water and sanitary sewer mains and improvements other than structures	65,310,718	474,492	-	65,785,210
Machinery and equipment	4,661,612	924,991	-	5,586,603
Other	1,160,244	-	-	1,160,244
Lynchburg Facilities Capacity	4,077,916	104,478	-	4,182,394
Total capital assets being depreciated	\$ 102,682,990	\$ 2,113,691	\$ -	\$ 104,796,681
Less: Accumulated depreciation:				
Structures and improvements	\$ (13,672,874)	\$ (540,297)	\$ -	\$ (14,213,171)
Water and sanitary sewer mains and improvements other than structures	(16,509,255)	(786,474)	-	(17,295,729)
Machinery and equipment	(3,506,449)	(308,829)	-	(3,815,278)
Other	(581,058)	(25,361)	-	(606,419)
Lynchburg Facilities Capacity	(2,979,146)	(163,373)	-	(3,142,519)
Total accumulated depreciation	\$ (37,248,782)	\$ (1,824,334)	\$ -	\$ (39,073,116)
Capital assets being depreciated, net	\$ 65,434,208	\$ 289,357	\$ -	\$ 65,723,565
Net capital assets	\$ 68,812,241	\$ 3,254,795	\$ 1,782,278	\$ 70,284,758

Lynchburg Facilities Capacity - The Authority entered into an agreement with the City of Lynchburg, Virginia to purchase capacity in its regional sewage treatment plant. The cost of this purchase is recorded in capital assets and is amortized over a period of 66 2/3 years. Amortization of this cost is included in depreciation expense and totaled \$163,373 for FY24. The unamortized balance of this cost was \$1,039,875 at June 30, 2024.

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 4 - CONSTRUCTION WORK IN PROGRESS:

	Balance Beginning of Year	Cost of Construction	Adjustments/ Transfers to Utility Plant & Equipment	Balance End of Year
7-11 at Timberlake and Laxton	\$ 8,792	\$ -	\$ -	\$ 8,792
Absolute Storage	2,755	-	-	2,755
2" Water Service - 20600A Timberlake Drive	16,233	-	16,233	-
2" Water Service - 20276 Timberlake Road	-	8,206	8,206	-
2" Leesville Road Waterline Ext - Burnette 50/50 Project	-	26,344	-	26,344
Altavista - Business Lane Master Meter	82,312	6,659	-	88,971
Automatic Gate - RWWTP	34,120	8,180	42,300	-
Automatic Gate - Timberlake Office	2,560	34,113	-	36,673
Blue Ridge Commons - Phase 2	25,430	-	-	25,430
Blue Ridge Lane Waterline Ext 50/50 Project	53,917	-	-	53,917
Castle Craig Water System Replacement	685,734	9,960	-	695,694
Centra Rehab Hospital Sewer Ext & Fire Meter	-	34	-	34
Cedar Haven Court Water Services Replacement	15,467	-	15,467	-
Chick Fil A Timberlake Road	102,853	-	-	102,853
Concord Waterline Leak(s) Investigation	22,046	40,000	-	62,046
CCUSA Office Renovations	425,931	82,311	508,242	-
CCUSA Air/Vacuum Valve Maintenance	6,447	-	6,447	-
Crescent Grove Subdivision	-	3,397	-	3,397
Daly Seven 102 Unit Hotel	10,522	-	-	10,522
Dearing Ford Road Waterline Ext - Project Highway	-	600	-	600
Dollar General Sewer Service - Wards Road	956	-	956	-
Dreaming Creek Sewershed Flow Projection	19,080	2,120	-	21,200
Drying Bed Closure Plan WWTP Hurt & Proffitt	3,600	2,171	-	5,771
English Commons - Phase 1	17,555	-	-	17,555
Evington Tank Swing Check	22,463	-	22,463	-
Exhaust Fans for Pump Stations	41,498	-	41,498	-
Flat Creek and US 460 WWTP Genset and Switch Gear	-	12,129	-	12,129
GIS AS-Built Plan Posting and GIS Training	-	2,548	-	2,548
Greenwell Ct. Waterline Relocation - VDOT	60,821	-	-	60,821
Hidden Valley Mobile Home Park	7,732	-	7,732	-
Hydraulic Model	-	33,738	-	33,738
Home 2 Suites - Motel	4,992	7,491	-	12,483
Kaiser Corner at Wards Crossing West	12	-	-	12
Lead and Copper Rule Revisions	-	5,140	-	5,140
Leesville Road Apartments	-	10,764	-	10,764
Living Waters Waterline Extension	3,496	-	-	3,496
LU Aviation Maintenance Training Facility	16,012	38,852	54,864	-
Lynbrook Road WWPS Pump Replacement	-	10,585	-	10,585
Lynchburg Airport Rangoon Road Meter	14,917	-	-	14,917

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 4 - CONSTRUCTION WORK IN PROGRESS: (CONTINUED)

	Balance Beginning of Year	Cost of Construction	Adjustments/ Transfers to Utility Plant & Equipment	Balance End of Year
Martin Drive WWPS	\$ -	\$ 160,620	\$ -	\$ 160,620
Merryman Parcels Off-Site Sewer	5,346	414,282	419,628	-
Merryman Parcels On-Site Water and Sewer	20,116	8,414	-	28,530
Merryman - Section 2 (The Allure)	-	6,027	-	6,027
Mod Wash at Wards Road & Lawyers Road	-	7,511	-	7,511
Pinnacle Trailer Sales - Ewing Drive	7,553	-	7,553	-
Raw Water Pump #2	47,515	-	-	47,515
Relocation of Liberty Sewer Main	9,139	-	-	9,139
Royal Farms Store #243	8,038	2,107	-	10,145
Rt 24 Generator Controls Replacement	-	19,917	19,917	-
Rt 29 to Greendale WL Replacement	15,226	-	-	15,226
Rustburg WWTP Flood Protection	194	-	194	-
Rustburg Middle School W & S Improvements	259,607	-	-	259,607
SCADA - Radio Replacement - WW	176,739	\$ -	\$ 176,739	\$ -
SCADA - Topview Software	16,100	-	-	16,100
SCADA - Upgrade Remaining Outdated PLCs	9,300	-	-	9,300
Sewer Flow Study	37,275	12,425	-	49,700
Sheetz Water Service Upgrade	7,139	-	7,139	-
Simon's Run Water Line 2013	9,245	-	-	9,245
Starbucks Waterline	9,950	-	-	9,950
Steele's Collision Sewer Extension	5,374	-	5,374	-
Storage Building at WWTP	-	69,518	-	69,518
Tanglewood Booster PS Pump #1 Rebuild	-	25,864	25,864	-
Sheetz - Concord	2,746	-	2,482	264
Tanglewood Elevated Tank Cathodic Protection	8,000	-	8,000	-
Timberlake Road Sewer (Greenwell Court)	690	-	-	690
Trent's Landing - Backup Pump #1	26,803	-	-	26,803
Trent's Landing Subdivision - Section 2	15,441	-	-	15,441
Trent's Landing Subdivision - Section 3	-	4,859	-	4,859
Village Drive Patio Homes	22,815	398	-	23,213

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 4 - CONSTRUCTION WORK IN PROGRESS: (CONTINUED)

	Balance Beginning of Year	Cost of Construction	Adjustments/ Transfers to Utility Plant & Equipment	Balance End of Year
Walgreens Easement	\$ -	\$ 2,500	\$ -	\$ 2,500
Wards Road and English Tavern Road Waterline Replacement	-	107,799	-	107,799
Wards Road Ext. (to serve Dawson Ford Garbee)	47	-	-	47
Wards Rd Bridge Over NS Railroad	92,035	-	-	92,035
Waterlick Road Low Pressure Sewer	17,857	-	-	17,857
Waterline Extension 1122 Wards Road	5,790	-	-	5,790
WAWA Wards Road and Lawyers Road	-	4,786	-	4,786
Whitestone - Pump #1	14,358	-	14,358	-
Wildwood Water Service Replacement	175,069	93,454	-	268,523
William Campbell HS Waterline	6,267	-	-	6,267
Willowbrook Sewer Connector	25,315	940	-	26,255
Winston Lane Water Line	19,182	-	-	19,182
Woodhaven Service Replacement Project	11,583	-	11,583	-
WTP Clean Process Solids Pond	9,206	117,853	127,059	-
WTP Filter Gallery Floor	11,970	-	11,970	-
WTP Finished Water Pumps - Switch Gear	-	21,667	-	21,667
WWTP - EQ Blowers	24,387	-	24,387	-
WTP Mixers & Flocculators	122,960	7,335	130,295	-
WTP Lab Equipment	5,890	5,956	11,846	-
WTP Raw Water Pump Replacement	-	53,482	53,482	-
WTP SCADA - Priority 4	3,330	-	-	3,330
Yellow Branch Mixed Use Dev WWTP and FM	55,400	539,328	-	594,728
Yellow Branch Mixed Use Gravity Sewer	24,600	860,494	-	885,094
Retainage	-	72,560	-	72,560
Total	\$ 3,053,850	\$ 2,965,438	\$ 1,782,278	\$ 4,237,010

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 5 - LONG-TERM OBLIGATIONS:

A summary of long-term obligation activity for the year is as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Due Within One Year
Other long-term obligations:					
Net pension liability	\$ 1,101,260	\$ 977,828	\$ 606,210	\$ 1,472,878	\$ -
Net OPEB liability	80,072	35,154	35,112	80,114	-
Compensated absences	160,272	47,563	40,068	167,767	41,942
Direct borrowings and placements:					
Notes payable	707,921	-	58,894	649,027	58,895
Revenue bonds payable	3,013,066	-	448,837	2,564,229	461,911
Total	<u>\$ 5,062,591</u>	<u>\$ 1,060,545</u>	<u>\$ 1,189,121</u>	<u>\$ 4,934,015</u>	<u>\$ 562,748</u>

Amounts required to amortize long-term obligations:

Fiscal Year Ending June 30,	Direct Borrowings and Direct Placements			
	Notes Payable		Revenue Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 58,895	\$ 10	\$ 461,911	\$ 29,282
2026	58,895	9	373,911	24,175
2027	58,895	9	386,911	19,445
2028	50,287	8	290,912	14,654
2029	44,908	7	215,911	11,174
2030	44,908	7	218,912	8,046
2031	44,907	6	222,911	4,865
2032	44,907	6	225,912	1,629
2033	44,907	5	13,911	-
2034	23,634	5	13,912	-
2035	23,634	4	13,911	-
2036	23,634	3	13,912	-
2037	23,633	3	13,911	-
2038	23,633	2	13,912	-
2039	23,633	2	13,911	-
2040	23,633	1	13,912	-
2041	23,633	1	13,911	-
2042	2,817	-	13,912	-
2043	2,817	-	13,911	-
2044	2,817	-	13,912	-
Total	<u>\$ 649,027</u>	<u>\$ 88</u>	<u>\$ 2,564,229</u>	<u>\$ 113,270</u>

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements At June 30, 2024 (Continued)

NOTE 5 - LONG-TERM OBLIGATIONS: (CONTINUED)

Details of long-term obligations are as follows:

	<u>Total</u>	<u>Amount Due Within One Year</u>
Net pension liability	\$ 1,472,878	\$ -
Net OPEB liability	\$ 80,114	\$ -
Compensated absences	\$ 167,767	\$ 41,942
Direct Borrowings and Placements:		
Notes payable:		
\$131,234 note payable to the City of Lynchburg, Virginia, due in annual principal installments of \$5,171 on June 1 through June 2015, thereafter \$1,284 through June 1, 2028, interest at 0%	\$ 5,137	\$ 1,284
\$295,122 note payable to the City of Lynchburg, Virginia, due in annual principal installments of \$8,608 on June 1 through 2027, interest at 0%	25,819	8,608
\$136,530 note payable to the City of Lynchburg, Virginia, due in annual principal installments of \$4,096 on June 1 through 2028, interest at 0%	16,383	4,096
\$172,189 note payable to the City of Lynchburg, Virginia, due in annual principal installments of \$5,740 on June 1, through 2041, interest at 0.59%	97,569	5,740
\$425,467 note payable to the City of Lynchburg, Virginia, due in annual principal installments of \$21,273 on June 1, through 2033, interest at 0%	191,466	21,273
\$84,495 note payable to the City of Lynchburg, Virginia, due in annual principal installments of \$2,816 on June 1, through 2044, interest at 0%	56,337	2,816
\$15,078 note payable to the City of Lynchburg, Virginia, due in annual principal installments of \$15,078 on June 1, through 2041, interest at 0%	256,316	15,078
Total notes payable	\$ 649,027	\$ 58,895
Revenue Bonds:		
\$2,115,000 Water and Sewer System Revenue Bond, Series 2020A dated December 17, 2020, principal payable in various installments beginning October 1, 2021 through October 1, 2031, interest payable semi-annually at 1.537%	\$ 1,608,000	\$ 191,000
\$1,495,000 Water and Sewer System Refunding Revenue Bond, Series 2020B dated December 17, 2020, principal payable semi-annually in various incremental amounts beginning April 1, 2021 through October 1, 2027, interest payable semi-annually at 1.022%	678,000	257,000
\$370,000 Water and Sewer System Revenue bond dated June 30, 2022, principal payable semi-annually in the amount of \$7,257 maturing on June 1, 2053, interest payable semi-annually at 1%. Amount drawn on the bond as of June 30, 2024 was \$284,066.	278,229	13,911
Total revenue bonds	\$ 2,564,229	\$ 461,911
Total long-term obligations	\$ 4,934,015	\$ 562,748

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 5 - LONG-TERM OBLIGATIONS: (CONTINUED)

Details of long-term obligations are as follows: (Continued)

County of Campbell, Virginia has entered into a Support Agreement with the Authority whereby the County has undertaken a nonbinding obligation to appropriate to the Authority funds as necessary to pay the debt service required by certain water and sewer system revenue bonds. The Authority received \$92,415 from the County in FY24.

NOTE 6 - PENSION PLAN:

Plan Description

All full-time, salaried permanent employees of the Authority are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

Benefit Structures

The System administers three different benefit structures for covered employees - Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 6 - PENSION PLAN: (CONTINUED)

Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee’s average final compensation multiplied by the employee’s total service credit. Under Plan 1, average final compensation is the average of the employee’s 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents. Under Plan 2, average final compensation is the average of the employee’s 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents. Under the Hybrid Plan, average final compensation is the average of the employee’s 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	19
Inactive members:	
Vested inactive members	1
Total inactive members	1
Active members	22
Total covered employees	42

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 6 - PENSION PLAN: (CONTINUED)

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Authority’s contractually required employer contribution rate for the year ended June 30, 2024 was 10.49% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were \$178,844 and \$165,655 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. For the Authority, the net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the Authority’s Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 6 - PENSION PLAN: (CONTINUED)

Actuarial Assumptions - General Employees: (Continued)

Mortality rates:

All Others (Non-10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 6 - PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
	**Expected arithmetic nominal return		8.25%

* The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

** On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 6 - PENSION PLAN: (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Authority was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever was greater. From July 1, 2023 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	\$ 6,878,243	\$ 5,776,983	\$ 1,101,260
Changes for the year:			
Service cost	\$ 146,275	\$ -	\$ 146,275
Interest	458,099	-	458,099
Differences between expected and actual experience	369,762	-	369,762
Contributions - employer	-	164,981	(164,981)
Contributions - employee	-	74,175	(74,175)
Net investment income	-	366,908	(366,908)
Benefit payments, including refunds of employee contributions	(475,729)	(475,729)	-
Administrative expenses	-	(3,692)	3,692
Other changes	-	146	(146)
Net changes	\$ 498,407	\$ 126,789	\$ 371,618
Balances at June 30, 2023	\$ 7,376,650	\$ 5,903,772	\$ 1,472,878

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 6 - PENSION PLAN: (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Authority using the discount rate of 6.75%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Net Pension Liability	\$ 2,639,039	\$ 1,472,878	\$ 540,518

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the Authority recognized pension expense of \$378,470. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 404,532	\$ -
Change in assumptions	22,010	-
Net difference between projected and actual earnings on pension plan investments	-	101,729
Employer contributions subsequent to the measurement date	178,844	-
Total	\$ 605,386	\$ 101,729

\$178,844 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	
2025	\$ 155,400
2026	(1,333)
2027	167,760
2028	2,986
2029	-

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 6 - PENSION PLAN: (CONTINUED)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

NOTE 7 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):

Plan Description

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured plan, it is not included as part of the GLI Plan OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,254 as of June 30, 2024.

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 7 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024 was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were \$9,211 and \$8,490 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act and is classified as a non-employer contribution.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB

At June 30, 2024, the entity reported a liability of \$80,114 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.00670% as compared to 0.00660% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$3,890. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 7 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB: (Continued)

At June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,001	\$ 2,432
Net difference between projected and actual earnings on GLI OPEB plan investments	-	3,219
Change in assumptions	1,712	5,551
Changes in proportionate share	2,689	1,986
Employer contributions subsequent to the measurement date	<u>9,211</u>	<u>-</u>
Total	<u>\$ 21,613</u>	<u>\$ 13,188</u>

\$9,211 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2025	\$ (284)
2026	(3,361)
2027	1,774
2028	234
2029	851
Thereafter	-

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 7 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates - Non-Largest Ten Locality Employers - General Employees

- Pre-Retirement:
 - Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years
- Post-Retirement:
 - Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year
- Post-Disablement:
 - Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years
- Beneficiaries and Survivors:
 - Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally
- Mortality Improvement Scale:
 - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 7 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

NET GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2023, NOL amounts for the Group Life Insurance Plan is as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	\$	3,907,052
Plan Fiduciary Net Position		2,707,739
Employers' Net GLI OPEB Liability (Asset)	\$	1,199,313
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		69.30%

The total GLI OPEB liability is calculated by the System’s actuary, and each plan’s fiduciary net position is reported in the System’s financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System’s notes to the financial statements and required supplementary information.

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 7 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	<u>100.00%</u>		<u>5.75%</u>
		Inflation	<u>2.50%</u>
	**Expected arithmetic nominal return		<u>8.25%</u>

*The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

** On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 7 - GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Sensitivity of the Employer’s Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the employer’s proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer’s proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
Authority's proportionate share of the Group Life Insurance Plan				
Net OPEB Liability	\$	118,754	\$ 80,114	\$ 48,873

Group Life Insurance Plan Fiduciary Net Position

Detailed information about the GLI Plan’s Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 8 - LITIGATION:

At June 30, 2024 there were no matters of litigation involving the Authority which would materially affect the Authority’s financial position should any court decisions on pending matters not be favorable to the Authority.

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 9 - COMPENSATED ABSENCES:

The Authority has accrued the liability arising from outstanding compensated absences.

Authority employees earn vacation and sick leave at a variable rate based on length of service. No benefits or pay is received for unused sick leave upon termination. Vacation accumulates on a calendar year basis and terminates annually if not taken. The Authority has outstanding accrued vacation pay and related benefits totaling \$167,767 at June 30, 2024.

NOTE 10 - RISK MANAGEMENT:

The Authority insures against the risk of loss for workers' compensation, theft, property damage, and liability through contracts with commercial insurance carriers. A summary of coverage is detailed below:

Property damage	\$ 11,825,200	100% value
Flood damage	2,500,000	
Earthquake	2,500,000	
Local Government liability	1,000,000	each occurrence
Automobile liability	1,000,000	combined single limit
Umbrella liability	5,000,000	
Worker's compensation	1,000,000	employer's liability each occurrence
Boiler and machinery	1,000,000	

There have been no insurance settlements exceeding insurance coverage during the past three years.

NOTE 11 - LEASES RECEIVABLE:

The Authority leases tower space to companies under various lease contracts. In fiscal year 2024, the Authority recognized lease and interest revenue in the amount of \$463,294, and \$16,613, respectively. A description of the leases is as follows:

<u>Lease Description</u>	<u>Start Date</u>	<u>End Date</u>	<u>Length of Lease Term (in months)</u>	<u>Payment Frequency</u>	<u>Discount Rate</u>	<u>Receivable Balance</u>
Briarcliff AT&T	7/1/2021	8/1/2024	38	Monthly	3.00%	\$ 6,236
Oakdale AT&T	7/1/2021	8/1/2024	38	Monthly	3.00%	6,252
Oakdale T-Mobile	7/1/2021	12/1/2024	42	Monthly	3.00%	13,960
Sunburst AT&T	7/1/2021	8/1/2024	38	Monthly	3.00%	6,252
Sunburst T-Mobile	7/1/2021	12/1/2024	42	Monthly	3.00%	124,451
Sunburst US Cellular	6/1/2022	5/1/2027	60	Monthly	3.00%	146,821
Total						<u>\$ 303,972</u>

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Notes to Financial Statements
At June 30, 2024 (Continued)

NOTE 11 - LEASES RECEIVABLE: (CONTINUED)

Expected future payments at June 30, 2024 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 206,061	\$ 4,991	\$ 211,052
2026	49,463	2,249	51,712
2027	48,448	723	49,171
Total	<u>\$ 303,972</u>	<u>\$ 7,963</u>	<u>\$ 311,935</u>

NOTE 12 - CONSTRUCTION COMMITMENTS:

At June 30, 2024, the Authority had the following major projects under construction:

<u>Project</u>	<u>Contract Amounts</u>	<u>Expenditures as of June 30, 2024</u>	<u>Contract Balance</u>
Yellow Branch Sanitary Improvements	\$ 1,316,427	\$ 554,040	\$ 762,387
Total	<u>\$ 1,316,427</u>	<u>\$ 554,040</u>	<u>\$ 762,387</u>

NOTE 13 - UPCOMING PRONOUNCEMENTS:

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Statement No. 102, *Certain Risk Disclosures*, provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

- Required Supplementary Information -

Schedule of Changes in Net Pension Liability and Related Ratios
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 146,275	\$ 113,645	\$ 115,494	\$ 111,022	\$ 105,618
Interest	458,099	443,586	398,549	367,684	345,701
Changes of assumptions	-	-	97,043	-	176,347
Differences between expected and actual experience	369,762	98,561	297,695	191,255	38,030
Benefit payments	(475,729)	(471,111)	(239,308)	(186,077)	(128,157)
Net change in total pension liability	\$ 498,407	\$ 184,681	\$ 669,473	\$ 483,884	\$ 537,539
Total pension liability - beginning	6,878,243	6,693,562	6,024,089	5,540,205	5,002,666
Total pension liability - ending (a)	\$ 7,376,650	\$ 6,878,243	\$ 6,693,562	\$ 6,024,089	\$ 5,540,205
Plan fiduciary net position					
Contributions - employer	\$ 164,981	\$ 137,907	\$ 131,751	\$ 94,536	\$ 95,682
Contributions - employee	74,175	71,031	69,091	65,019	64,954
Net investment income	366,908	1,600	1,314,011	89,820	297,215
Benefit payments	(475,729)	(471,111)	(239,308)	(186,077)	(128,157)
Administrative expense	(3,692)	(3,850)	(3,226)	(3,032)	(2,816)
Other	146	136	124	(108)	(188)
Net change in plan fiduciary net position	\$ 126,789	\$ (264,287)	\$ 1,272,443	\$ 60,158	\$ 326,690
Plan fiduciary net position - beginning	5,776,983	6,041,270	4,768,827	4,708,669	4,381,979
Plan fiduciary net position - ending (b)	\$ 5,903,772	\$ 5,776,983	\$ 6,041,270	\$ 4,768,827	\$ 4,708,669
Authority's net pension liability - ending (a) - (b)	\$ 1,472,878	\$ 1,101,260	\$ 652,292	\$ 1,255,262	\$ 831,536
Plan fiduciary net position as a percentage of the total pension liability	80.03%	83.99%	90.25%	79.16%	84.99%
Covered payroll	\$ 1,572,204	\$ 1,446,905	\$ 1,373,936	\$ 1,321,085	\$ 1,328,943
Authority's net pension liability as a percentage of covered payroll	93.68%	76.11%	47.48%	95.02%	62.57%

Schedule of Changes in Net Pension Liability and Related Ratios

For the Measurement Dates of June 30, 2014 through June 30, 2023

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 100,225	\$ 102,855	\$ 106,130	\$ 101,893	\$ 94,235
Interest	324,122	320,344	293,053	265,416	248,500
Changes of assumptions	-	(186,312)	-	-	-
Differences between expected and actual experience	7,424	(66,044)	102,991	134,547	-
Benefit payments	(118,852)	(114,884)	(109,724)	(104,354)	(97,794)
Net change in total pension liability	\$ 312,919	\$ 55,959	\$ 392,450	\$ 397,502	\$ 244,941
Total pension liability - beginning	4,689,747	4,633,788	4,241,338	3,843,836	3,598,895
Total pension liability - ending (a)	\$ 5,002,666	\$ 4,689,747	\$ 4,633,788	\$ 4,241,338	\$ 3,843,836
Plan fiduciary net position					
Contributions - employer	\$ 115,315	\$ 111,589	\$ 103,559	\$ 101,737	\$ 98,188
Contributions - employee	61,392	59,339	57,108	56,022	53,477
Net investment income	300,656	437,315	62,808	149,981	436,173
Benefit payments	(118,852)	(114,884)	(109,724)	(104,354)	(97,794)
Administrative expense	(2,498)	(2,424)	(2,083)	(1,966)	(2,287)
Other	(272)	(393)	(26)	(30)	23
Net change in plan fiduciary net position	\$ 355,741	\$ 490,542	\$ 111,642	\$ 201,390	\$ 487,780
Plan fiduciary net position - beginning	4,026,238	3,535,696	3,424,054	3,222,664	2,734,884
Plan fiduciary net position - ending (b)	\$ 4,381,979	\$ 4,026,238	\$ 3,535,696	\$ 3,424,054	\$ 3,222,664
Authority's net pension liability - ending (a) - (b)	\$ 620,687	\$ 663,509	\$ 1,098,092	\$ 817,284	\$ 621,172
Plan fiduciary net position as a percentage of the total pension liability	87.59%	85.85%	76.30%	80.73%	83.84%
Covered payroll	\$ 1,225,417	\$ 1,099,288	\$ 1,158,231	\$ 1,120,448	\$ 1,069,535
Authority's net pension liability as a percentage of covered payroll	50.65%	60.36%	94.81%	72.94%	58.08%

Schedule of Employer Contributions - Pension Plan

For the Years Ended June 30, 2015 through June 30, 2024

<u>Date</u>	<u>Contractually Required Contribution*</u>	<u>Contributions in Relation to Contractually Required Contribution*</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2024	\$ 178,844	\$ 178,844	\$ -	\$ 1,705,690	10.49%
2023	165,655	165,655	-	1,572,204	10.54%
2022	137,907	137,907	-	1,446,905	9.53%
2021	131,752	131,752	-	1,373,936	9.59%
2020	94,167	94,167	-	1,321,085	7.13%
2019	95,681	95,681	-	1,328,943	7.20%
2018	116,047	116,047	-	1,225,417	9.47%
2017	114,460	114,460	-	1,099,288	10.41%
2016	105,167	105,167	-	1,158,231	9.08%
2015	101,737	101,737	-	1,120,448	9.08%

*Excludes contributions (mandatory and match on voluntary) to the defined benefit contribution portion of the Hybrid plan.

Notes to Required Supplementary Information - Pension Plan
For the Year Ended June 30, 2024

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Schedule of Authority's Share of Net OPEB Liability
Group Life Insurance Plan
For the Measurement Dates of June 30, 2017 through June 30, 2023

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2023	0.0067%	\$ 80,114	\$ 1,572,204	5.10%	69.30%
2022	0.0066%	80,072	1,446,905	5.53%	67.21%
2021	0.0066%	77,424	1,373,936	5.64%	67.45%
2020	0.0064%	107,139	1,321,085	8.11%	52.64%
2019	0.0068%	110,238	1,328,943	8.30%	52.00%
2018	0.0066%	100,000	1,250,317	8.00%	51.22%
2017	0.0066%	99,000	1,208,661	8.19%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions

Group Life Insurance Plan

For the Years Ended June 30, 2014 through June 30, 2024

Date	Contributions in Relation to					Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)		
2024	\$ 9,211	\$ 9,211	\$ -	\$ 1,705,690		0.54%
2023	8,490	8,490	-	1,572,204		0.54%
2022	7,813	7,813	-	1,446,905		0.54%
2021	7,419	7,419	-	1,373,936		0.54%
2020	6,870	6,870	-	1,321,085		0.52%
2019	6,911	6,911	-	1,328,943		0.52%
2018	6,502	6,502	-	1,250,317		0.52%
2017	6,285	6,285	-	1,208,661		0.52%
2016	5,560	5,560	-	1,158,231		0.48%
2015	5,378	5,378	-	1,120,448		0.48%

Notes to Required Supplementary Information
Group Life Insurance Plan
For the Year Ended June 30, 2024

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

- Other Supplementary Information -
Supporting Schedules

Schedule of Revenues and Expenses
For the Year Ended June 30, 2024

	Total	Central/ Rustburg	Naruna
Operating revenues:			
Water fees	\$ 5,477,120	\$ 5,366,947	\$ 110,173
Sewer fees	1,816,276	1,816,276	-
Account establishment fees	29,700	29,700	-
Reconnection fees	43,330	43,330	-
Meter tamper fee	700	700	-
Miscellaneous	348,095	348,095	-
Total operating revenues	\$ 7,715,221	\$ 7,605,048	\$ 110,173
Operating expenses:			
Source of supply:			
Purchase of water	\$ 26,412	\$ 26,412	\$ -
Water charges (460 East)	584,131	584,131	-
Chemicals	231,000	231,000	-
Electrical services	217,691	209,741	7,950
Electrical repairs	3,888	3,888	-
Maintenance	67,575	64,975	2,600
Equipment and supplies	52,403	50,371	2,032
Safety	6,067	6,067	-
Uniforms	3,309	3,309	-
Fuel	1,187	1,187	-
Landfill fees	1,228	1,228	-
Vehicle expense	5,387	5,045	342
Telephone	4,769	4,769	-
Fees and charges	12,201	12,201	-
Office supplies	2,597	2,597	-
Total source of supply	\$ 1,219,845	\$ 1,206,921	\$ 12,924
Wastewater treatment:			
Purchase of services - Lynchburg	\$ 564,631	\$ 564,631	\$ -
Chemicals	3,666	3,666	-
Electrical services	30,318	30,318	-
Maintenance	26,624	26,624	-
Equipment and supplies	47,729	47,729	-
Safety	707	707	-
Uniforms	1,393	1,393	-
Fuel	1,040	1,040	-
Vehicle expense	1,438	1,438	-
Landfill disposal	5,207	5,207	-
Fees and charges	9,135	9,135	-
Office supplies	234	234	-
Telephone	3,177	3,177	-
Total wastewater treatment	\$ 695,299	\$ 695,299	\$ -

Schedule of Revenues and Expenses

For the Year Ended June 30, 2024 (Continued)

	<u>Total</u>	<u>Central/ Rustburg</u>	<u>Naruna</u>
Operating expenses: (Continued)			
Maintenance and inspection:			
Electrical services	\$ 248,941	\$ 248,941	\$ -
Maintenance	484,663	484,663	-
Miss Utility fees	9,193	9,193	-
Equipment and supplies	95,745	95,745	-
Safety	2,246	2,246	-
Uniforms	5,951	5,951	-
Fuel	2,743	2,743	-
Vehicle expense	33,108	33,108	-
Fees and charges	5,477	5,477	-
Total maintenance and inspection	\$ 888,067	\$ 888,067	\$ -
Personnel:			
Salaries	\$ 1,966,548	\$ 1,966,548	\$ -
Unemployment insurance	233	233	-
Health insurance	302,345	302,345	-
Disability insurance	7,406	7,406	-
Retirement benefits	405,796	405,796	-
FICA	167,253	167,253	-
Workmen's compensation	24,707	24,707	-
Total personnel	\$ 2,874,288	\$ 2,874,288	\$ -
Administrative and general:			
Legal fees	\$ 1,279	\$ 1,279	\$ -
Engineering fees	1,213	1,213	-
Auditing fees	27,410	27,410	-
Recording fees	26	26	-
Insurance general	56,558	52,975	3,583
Postage	40,595	40,595	-
Office and billing supplies	39,472	39,472	-
Service charge (over and short)	183	183	-
Bank fees	7,216	7,216	-
Office equipment contracts	221,234	221,234	-
Telephone	36,586	36,586	-
Electrical services	12,361	12,361	-

Schedule of Revenues and Expenses

For the Year Ended June 30, 2024 (Continued)

	<u>Total</u>	<u>Central/ Rustburg</u>	<u>Naruna</u>
Operating expenses: (Continued)			
Administrative and general: (Continued)			
Advertising	\$ 2,447	\$ 2,447	\$ -
Travel, mileage, and education	18,580	18,580	-
Dues, subscriptions, and donations	9,650	9,650	-
Janitorial supplies	996	996	-
Landfill fees	1,523	1,523	-
Maintenance office	13,192	13,192	-
Trustee fees	6,500	6,500	-
Miscellaneous	26,091	26,091	-
Fees and charges	<u>27,712</u>	<u>26,895</u>	<u>817</u>
Total administrative and general	\$ <u>551,221</u>	\$ <u>546,821</u>	\$ <u>4,400</u>
Operating expenses before depreciation	\$ <u>6,228,720</u>	\$ <u>6,211,396</u>	\$ <u>17,324</u>
Depreciation	\$ <u>1,824,334</u>	\$ <u>1,798,745</u>	\$ <u>25,589</u>
Total operating expenses	\$ <u>8,053,054</u>	\$ <u>8,010,141</u>	\$ <u>42,913</u>
Operating income (loss)	\$ <u>(337,833)</u>	\$ <u>(405,093)</u>	\$ <u>67,260</u>
Nonoperating revenues (expenses):			
Capital recovery fees water	\$ 809,756	\$ 809,756	\$ -
Capital recover fees wastewater	796,675	796,675	-
Connection fees water	158,204	158,204	-
Connection fees wastewater	12,565	12,565	-
Sewer capacity fee	633,719	633,719	-
Interest income	358,876	358,876	-
Grant from Campbell County	92,415	92,415	-
Capital contributions	1,834,787	1,834,787	-
Interest expense	(57,304)	(57,304)	-
Other nonoperating expenses	<u>(130,315)</u>	<u>(130,315)</u>	<u>-</u>
Total nonoperating revenues (expenses)	\$ <u>4,509,378</u>	\$ <u>4,509,378</u>	\$ <u>-</u>
Change in Net Position	\$ <u><u>4,171,545</u></u>	\$ <u><u>4,104,285</u></u>	\$ <u><u>67,260</u></u>

Central/Rustburg Division

Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Water fees	\$ 5,402,000	\$ 5,366,947	\$ (35,053)
Sewer fees	1,580,000	1,816,276	236,276
Account establishment fees	35,000	29,700	(5,300)
Reconnection fees	35,350	43,330	7,980
Meter tamper fee	-	700	700
Miscellaneous	310,000	348,095	38,095
Total operating revenues	\$ 7,362,350	\$ 7,605,048	\$ 242,698
Nonoperating revenues:			
Capital recovery fees water	\$ 644,000	\$ 809,756	\$ 165,756
Capital recovery fees wastewater	678,000	796,675	118,675
Connection fees water	-	158,204	158,204
Connection fees wastewater	-	12,565	12,565
Sewer capacity fee	-	633,719	633,719
Interest income	20,000	358,876	338,876
Grant from Campbell County	92,415	92,415	-
Capital contributions	-	1,834,787	1,834,787
Total nonoperating revenues	\$ 1,434,415	\$ 4,696,997	\$ 3,262,582
Total revenues	\$ 8,796,765	\$ 12,302,045	\$ 3,505,280

Naruna Division

Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating revenues:			
Water fees	\$ <u>94,000</u>	\$ <u>110,173</u>	\$ <u>16,173</u>
Total operating revenues	\$ <u><u>94,000</u></u>	\$ <u><u>110,173</u></u>	\$ <u><u>16,173</u></u>

Central/Rustburg Division

Schedule of Operating Expenses - Budget and Actual

For the Year Ended June 30, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
Operating expenses:			
Source of supply:			
Purchase of water	\$ 51,100	\$ 26,412	\$ 24,688
Water charges (460 East)	600,500	584,131	16,369
Chemicals	345,000	231,000	114,000
Electrical services	227,000	209,741	17,259
Electrical repairs	-	3,888	(3,888)
Maintenance	50,400	64,975	(14,575)
Equipment and supplies	34,000	50,371	(16,371)
Safety	7,400	6,067	1,333
Uniforms	3,700	3,309	391
Fuel	2,500	1,187	1,313
Landfill fees	1,400	1,228	172
Vehicle expense	8,450	5,045	3,405
Telephone	6,800	4,769	2,031
Fees and charges	20,000	12,201	7,799
Office supplies	2,500	2,597	(97)
Total source of supply	\$ 1,360,750	\$ 1,206,921	\$ 153,829
Wastewater treatment:			
Purchase of services - Lynchburg	\$ 525,000	\$ 564,631	\$ (39,631)
Chemicals	7,100	3,666	3,434
Electrical services	27,200	30,318	(3,118)
Maintenance	20,000	26,624	(6,624)
Equipment and supplies	19,000	47,729	(28,729)
Safety	1,400	707	693
Uniforms	1,350	1,393	(43)
Fuel	1,200	1,040	160
Vehicle expense	3,500	1,438	2,062
Landfill disposal	8,100	5,207	2,893
Fees and charges	12,000	9,135	2,865
Telephone	6,000	3,177	2,823
Office Supplies	1,200	234	966
Concord WWTP	6,550	-	6,550
Total wastewater treatment	\$ 639,600	\$ 695,299	\$ (55,699)
Maintenance and inspection:			
Electrical services	\$ 222,000	\$ 248,941	\$ (26,941)
Maintenance	508,000	484,663	23,337
Miss Utility fees	7,700	9,193	(1,493)
Equipment and supplies	82,600	95,745	(13,145)
Fire hydrants	3,500	-	3,500
Safety	3,600	2,246	1,354
Uniforms	5,250	5,951	(701)
Fuel	7,200	2,743	4,457
Vehicle Expense	29,900	33,108	(3,208)
Fees and charges	7,100	5,477	1,623
Total maintenance and inspection	\$ 876,850	\$ 888,067	\$ (11,217)

Central/Rustburg Division

Schedule of Operating Expenses - Budget and Actual
For the Year Ended June 30, 2024 (Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Operating expenses: (Continued)			
Personnel:			
Salaries	\$ 2,022,934	\$ 1,966,548	\$ 56,386
Unemployment insurance	900	233	667
Health insurance	335,100	302,345	32,755
Disability insurance	9,700	7,406	2,294
Retirement benefits	244,800	405,796	(160,996)
FICA	154,754	167,253	(12,499)
Workmen's compensation	28,650	24,707	3,943
Total personnel	\$ 2,796,838	\$ 2,874,288	\$ (77,450)
Administrative and general:			
Legal fees	\$ 16,000	\$ 1,279	\$ 14,721
Engineering fees	45,500	1,213	44,287
Auditing fees	29,100	27,410	1,690
Recording fees	200	26	174
Insurance general	57,500	52,975	4,525
Postage	61,500	40,595	20,905
Office and billing supplies	31,500	39,472	(7,972)
Service charge (over and short)	-	183	(183)
Bank fees	4,200	7,216	(3,016)
Office equipment contracts	309,500	221,234	88,266
Safety	-	397	(397)
Telephone	41,000	36,586	4,414
Electrical services	10,500	12,361	(1,861)
Advertising	2,300	2,447	(147)
Travel, mileage, and education	41,000	18,580	22,420
Dues, subscriptions, and donations	16,000	9,650	6,350
Janitorial supplies	1,400	996	404
Landfill fees	2,400	1,523	877
Maintenance office	20,200	13,194	7,006
Trustee fees	4,200	6,500	(2,300)
Fees and charges	29,000	26,895	2,105
Miscellaneous	-	26,093	(26,093)
Total administrative and general	\$ 723,000	\$ 546,825	\$ 176,175
Total operating expenses before depreciation	\$ 6,397,038	\$ 6,211,400	\$ 185,638
Depreciation	\$ -	\$ 1,798,745	\$ (1,798,745)
Total operating expenses	\$ 6,397,038	\$ 8,010,145	\$ (1,613,107)

Naruna Division

Schedule of Operating Expenses - Budget and Actual
For the Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating expenses:			
Source of supply:			
Chemicals	\$ 2,500	\$ -	\$ 2,500
Electrical services	7,000	7,950	(950)
Maintenance	15,000	2,600	12,400
Equipment and supplies	4,100	2,032	2,068
Vehicle expense	650	342	308
Total source of supply	\$ 29,250	\$ 12,924	\$ 16,326
Administrative and general:			
Insurance general	\$ 4,150	\$ 3,583	\$ 567
Fees and charges	680	817	(137)
Total administrative and general	\$ 4,830	\$ 4,400	\$ 430
Total operating expenses before depreciation	\$ 34,080	\$ 17,324	\$ 16,756
Depreciation	\$ -	\$ 25,589	\$ (25,589)
Total operating expenses	\$ 34,080	\$ 42,913	\$ (8,833)

Capital Improvement Division
Central/Rustburg Division

Schedule of Other Nonoperating Expenses
For the Year Ended June 30, 2024

Other nonoperating expenses:	
New water services	\$ 123,349
New service laterals - Central/Rustburg Wastewater	<u>6,966</u>
Total other nonoperating expenses	<u>\$ 130,315</u>

Revenue Bond Compliance
 Section 602 of Agreement of Trust
 At June 30, 2024

Computations supporting compliance with this section of the agreement are as follows:

REVENUES BY "REVENUES" DEFINITION (SECTION 101 OF TRUST AGREEMENT)

Central and Rustburg Operating Income (Schedule 2)	\$	7,605,048
Capital Recovery Fees - Water		809,756
Capital Recovery Fees - Sewage		796,675
Interest ¹		
Revenue Fund		324,194
Principal Account (Bonds)		14,928
Interest Account (Bonds)		13,186
	\$	<u>9,563,787</u>
LESS Revenues (Net) transferred to Improvement Fund		(2,466,785)
SUB-TOTAL	\$	<u>7,097,002</u>

ADD FOR COVENANT CALCULATION PER SECTION 602

Operating Account Interest ¹	\$	6,568
Improvement Fund @ June 30 in excess of \$500,000		5,596,054
SUB-TOTAL	\$	<u>5,602,622</u>

TOTAL SOURCES AVAILABLE \$ 12,699,624

REVENUE COVENANT REQUIREMENT:

Operating expenses (Schedule 4)	\$	8,010,145
115% of amount required to be paid into Bond Fund ²		<u>645,224</u>

TOTAL REVENUE COVENANT REQUIREMENTS \$ 8,655,369

EXCESS OF SOURCES AVAILABLE OVER REVENUE COVENANT REQUIREMENT \$ 4,044,255

Revenue Bond Compliance
Section 602 of Agreement of Trust
At June 30, 2024 (Continued)

1 - Reconcile Interest to Audit	
Interest shown on worksheet	\$ 358,876
Improvement Fund Interest (In Fund Balance)	-
General Construction Fund Interest	-
Restricted Interest (5400-70)	-
Unrealized gain/(loss) on investments reported as interest	-
	<u>\$ 358,876</u>
2 - July through September, 2023	\$ 143,034
October, 2023	74,669
November, 2023 through March, 2024	200,201
April through June, 2024	143,161
	<u>\$ 561,065</u>
15% Coverage Factor	1.15
	<u>\$ 645,225</u>

Percent Debt Coverage Achieved

Revenue by Covenant	\$ 12,699,624
Expenses	(8,010,145)
Payment to Debt Service Reserve	-
Actual Debt Payments Made	<u>(561,065)</u>
EXCESS	\$ 4,128,414

15% Required Debt Coverage (Excess)	\$ 561,065
	15%
	<u>\$ 84,160</u>

Actual Debt Coverage Achieved - Excess/Actual Debt Payment	
EXCESS	\$ 4,128,414
ACTUAL DEBT PAYMENT	\$ 561,065
COVERAGE	736%

- Statistical Section -

Contents

Tables

Financial Trends

These tables contain trend information to help the reader understand how the Authority's financial performance has changed over time.

1-2

Revenue, Rates and Usage Information

These tables contain information to help the reader assess the factors affecting the Authority's change in revenues and its ability to generate revenues.

3-6

Expenses

This table contains comparative information about the Authority's expenses.

7

Debt Capacity

These tables present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue debt in the future.

8-9

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place and to help make comparisons over time.

10-11

Operating Information

These tables contain information about the Authority's operations and resources to help the reader understand how the Authority's financial information relates to the activities it performs.

12-14

Sources

Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial report for the relevant year.

Net Position by Component
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net investment in capital assets	\$ 67,148,628	\$ 65,187,662	\$ 63,488,042	\$ 62,191,914	\$ 60,517,820	\$ 57,881,291	\$ 56,520,688	\$ 53,966,111	\$ 51,032,599	\$ 49,559,813
Restricted	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Unrestricted	13,104,324	10,893,745	10,174,954	7,592,867	6,153,280	6,721,833	7,289,466	7,535,542	8,378,671	7,900,282
Total net position	<u>\$ 80,752,952</u>	<u>\$ 76,581,407</u>	<u>\$ 74,162,996</u>	<u>\$ 70,284,781</u>	<u>\$ 67,171,100</u>	<u>\$ 65,103,124</u>	<u>\$ 64,310,154</u>	<u>\$ 62,001,653</u>	<u>\$ 59,911,270</u>	<u>\$ 57,960,095</u>

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Table 2

Changes in Net Position
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating revenues:										
Water sales, charges and sewer charges	\$ 7,715,221	\$ 6,947,505	\$ 6,715,232	\$ 6,931,262	\$ 6,602,220	6,412,571	6,444,763	\$ 6,493,231	\$ 6,216,155	\$ 6,106,067
Operating expenses:										
Source of supply	\$ 1,219,845	\$ 1,195,399	\$ 1,008,807	\$ 1,017,080	\$ 1,111,218	1,071,777	1,017,163	\$ 963,997	\$ 971,798	\$ 945,314
Wastewater treatment	695,299	493,297	448,169	422,614	461,679	484,258	410,573	479,189	373,047	297,071
Maintenance and inspection	888,067	1,022,455	645,766	571,073	594,878	676,987	742,976	520,287	689,437	506,247
Personnel	2,874,288	2,531,627	2,255,802	2,157,590	2,002,322	1,844,654	1,823,995	1,772,105	1,604,052	1,541,147
Administrative and general	551,221	527,643	487,275	378,847	365,031	409,377	350,045	330,036	306,142	268,306
Depreciation and amortization	1,824,334	1,821,493	1,739,044	1,721,003	2,254,833	1,696,921	1,633,583	1,639,133	1,568,618	1,908,543
Total operating expenses	\$ 8,053,054	\$ 7,591,914	\$ 6,584,863	\$ 6,268,207	\$ 6,789,961	6,183,974	5,978,335	\$ 5,704,747	\$ 5,513,094	\$ 5,466,628
Operating income	\$ (337,833)	\$ (644,409)	\$ 130,369	\$ 663,055	\$ (187,741)	228,597	466,428	\$ 788,484	\$ 703,061	\$ 639,439
Nonoperating revenues (expenses):										
Interest income	\$ 358,876	\$ 16,106	\$ 35,550	\$ 2,007	\$ 5,528	10,538	7,926	\$ 3,902	\$ 4,289	\$ 5,066
Interest expense	(57,304)	(58,196)	(63,418)	(96,264)	(143,015)	(174,378)	(242,707)	(283,783)	(323,607)	(362,239)
Bond issuance costs	-	-	-	(74,687)	-	-	-	-	-	-
Capital recovery fees	1,606,431	955,481	1,394,436	878,506	649,683	232,700	183,096	289,378	239,100	878,725
Connection fees	170,769	295,254	157,432	93,315	60,806	119,015	65,778	42,834	63,225	60,270
Sewer capacity fee	633,719	372,094	543,681	324,406	241,850	56,000	47,250	99,197	66,500	332,500
System development fee	-	2,100	-	700	-	-	-	700	-	46,900
Grant from Campbell County	92,415	91,838	91,747	94,394	98,819	98,115	98,343	65,144	121,269	98,668
Grant from VRA	-	373,518	8,636	-	-	-	-	-	-	-
Loss on disposal of capital assets	-	-	-	-	-	(138,925)	-	-	-	-
Other nonoperating expenses	(130,315)	(135,826)	(138,299)	(94,983)	(79,086)	(109,889)	(39,028)	(83,415)	(37,682)	(55,626)
Total nonoperating revenues (expenses)	\$ 2,674,591	\$ 1,912,369	\$ 2,029,765	\$ 1,127,394	\$ 834,585	93,176	120,658	\$ 133,957	\$ 133,094	\$ 1,004,264
Income before capital grants and contributions	\$ 2,336,758	\$ 1,267,960	\$ 2,160,134	\$ 1,790,449	\$ 646,844	321,773	587,086	\$ 922,441	\$ 836,155	\$ 1,643,703
Capital contributions	1,834,787	1,150,451	1,718,081	1,323,232	1,421,132	471,197	1,828,415	1,167,942	1,115,020	1,216,360
Change in net position	\$ 4,171,545	\$ 2,418,411	\$ 3,878,215	\$ 3,113,681	\$ 2,067,976	792,970	2,415,501	\$ 2,090,383	\$ 1,951,175	\$ 2,860,063

Revenues by Source
Last Ten Fiscal Years

Fiscal Years Ended June 30,	Operating Revenues	Nonoperating Revenues								Other	Total Revenues
	Water Sales Charges and Sewer Charges	Interest Income	Capital Recovery Fees	Connection Fees	Sewer Capacity Fee	System Development Fee	Grant from Campbell County	Grant from VRA	Total Nonoperating Revenues	Capital Grants and Contributions	
2015	6,106,067	5,066	878,725	60,270	332,500	46,900	98,668	-	1,422,129	1,216,360	8,744,556
2016	6,216,155	4,289	239,100	63,225	66,500	-	121,269	-	494,383	1,115,020	7,825,558
2017	6,493,231	3,902	289,378	42,834	99,197	700	65,144	-	501,155	1,167,942	8,162,328
2018	6,444,763	7,926	183,096	65,778	47,250	-	98,343	-	402,393	1,828,415	8,675,571
2019	6,412,571	10,538	232,700	119,015	56,000	-	98,115	-	516,368	471,197	7,400,136
2020	6,602,220	5,528	649,683	60,806	241,850	-	98,819	-	1,056,686	1,421,132	9,080,038
2021	6,931,262	2,007	878,506	93,315	324,406	700	94,394	-	1,393,328	1,323,232	9,647,822
2022	6,715,232	35,550	1,394,436	157,432	543,681	-	91,747	8,636	2,231,482	1,718,081	10,664,795
2023	6,947,505	16,106	955,481	295,254	372,094	2,100	91,838	373,518	2,106,391	1,150,451	10,204,347
2024	7,715,221	358,876	1,606,431	170,769	633,719	-	92,415	-	2,862,210	1,834,787	12,412,218

Schedule of Water and Sewer Rates

Last Ten Fiscal Years

		Fiscal Years Ended June 30,											
		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015		
Rates													
Base Fee													
Meter Size													
3/4 x 5/8"		\$ 17.00	\$ 16.00	\$ 16.00	\$ 16.00	\$ 16.00	\$ 16.00	\$ 16.00	\$ 16.00	\$ 16.00	\$ 16.00	\$ 16.00	\$ 16.00
1"		\$ 23.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
1 1/2"		\$ 37.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00
2"		\$ 56.00	\$ 53.00	\$ 53.00	\$ 53.00	\$ 53.00	\$ 53.00	\$ 53.00	\$ 53.00	\$ 53.00	\$ 53.00	\$ 53.00	\$ 53.00
3"		\$ 111.00	\$ 104.00	\$ 104.00	\$ 104.00	\$ 104.00	\$ 104.00	\$ 104.00	\$ 104.00	\$ 104.00	\$ 104.00	\$ 104.00	\$ 104.00
4"		\$ 164.00	\$ 154.00	\$ 154.00	\$ 154.00	\$ 154.00	\$ 154.00	\$ 154.00	\$ 154.00	\$ 154.00	\$ 154.00	\$ 154.00	\$ 154.00
6"		\$ 270.00	\$ 254.00	\$ 254.00	\$ 254.00	\$ 254.00	\$ 254.00	\$ 254.00	\$ 254.00	\$ 254.00	\$ 254.00	\$ 254.00	\$ 254.00
8"		\$ 403.00	\$ 379.00	\$ 379.00	\$ 379.00	\$ 379.00	\$ 379.00	\$ 379.00	\$ 379.00	\$ 379.00	\$ 379.00	\$ 379.00	\$ 379.00
Sewer Service													
4"		\$ 14.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00
6"		\$ 33.00	\$ 28.00	\$ 28.00	\$ 28.00	\$ 28.00	\$ 28.00	\$ 28.00	\$ 28.00	\$ 28.00	\$ 28.00	\$ 28.00	\$ 28.00
8"		\$ 55.00	\$ 47.00	\$ 47.00	\$ 47.00	\$ 47.00	\$ 47.00	\$ 47.00	\$ 47.00	\$ 47.00	\$ 47.00	\$ 47.00	\$ 47.00
10"		\$ 63.00	\$ 54.00	\$ 54.00	\$ 54.00	\$ 54.00	\$ 54.00	\$ 54.00	\$ 54.00	\$ 54.00	\$ 54.00	\$ 54.00	\$ 54.00
12"		\$ 90.00	\$ 77.00	\$ 77.00	\$ 77.00	\$ 77.00	\$ 77.00	\$ 77.00	\$ 77.00	\$ 77.00	\$ 77.00	\$ 77.00	\$ 77.00
Commodity and Disposal Charges													
Water (per 100 cubic feet)		\$ 4.95	\$ 4.65	\$ 4.65	\$ 4.65	\$ 4.65	\$ 4.65	\$ 4.65	\$ 4.65	\$ 4.65	\$ 4.65	\$ 4.65	\$ 4.65
Sewer (per 100 cubic feet)		\$ 5.70	\$ 4.90	\$ 4.90	\$ 4.90	\$ 4.90	\$ 4.90	\$ 4.90	\$ 4.90	\$ 4.90	\$ 4.90	\$ 4.90	\$ 4.90
Service Connection Charges													
Water													
Meter Size													
3/4 x 5/8"		\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
1"		\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
Over 1"		Actual cost plus 15%, minimum \$2,100	Actual cost plus 15%, minimum \$2,100	Actual cost plus 15%, minimum \$2,100	Actual cost plus 15%, minimum \$2,100	Actual cost plus 15%, minimum \$2,100	Actual cost plus 15%, minimum \$2,100	Actual cost plus 15%, minimum \$2,100	Actual cost plus 15%, minimum \$2,100	Actual cost plus 15%, minimum \$2,100	Actual cost plus 15%, minimum \$2,100	Actual cost plus 15%, minimum \$2,100	Actual cost plus 15%, minimum \$2,100
Sewage													
Meter Size													
4" service lateral		\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900
Others		Actual cost plus 15%, minimum \$1,900	Actual cost plus 15%, minimum \$1,900	Actual cost plus 15%, minimum \$1,900	Actual cost plus 15%, minimum \$1,900	Actual cost plus 15%, minimum \$1,900	Actual cost plus 15%, minimum \$1,900	Actual cost plus 15%, minimum \$1,900	Actual cost plus 15%, minimum \$1,900	Actual cost plus 15%, minimum \$1,900	Actual cost plus 15%, minimum \$1,900	Actual cost plus 15%, minimum \$1,900	Actual cost plus 15%, minimum \$1,900
Sewer Capacity Fee		\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750
Capital Recovery Fees													
Water													
Single Family Dwelling		\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900
Multi-Family, per unit		\$ 1,425	\$ 1,425	\$ 1,425	\$ 1,425	\$ 1,425	\$ 1,425	\$ 1,425	\$ 1,425	\$ 1,425	\$ 1,425	\$ 1,425	\$ 1,425
Motels, per unit		\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475	\$ 475
Sewage													
Single Family Dwelling		\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200
Multi-Family, per unit		\$ 1,650	\$ 1,650	\$ 1,650	\$ 1,650	\$ 1,650	\$ 1,650	\$ 1,650	\$ 1,650	\$ 1,650	\$ 1,650	\$ 1,650	\$ 1,650
Motels, per unit		\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550
Construction Fee (per acre) in Spring Hill billing district													
Leesville Road Aid-to-Construction Fee (per application)		\$ 3,425	\$ 3,350	\$ 3,275	\$ 3,200	\$ 3,125	\$ 3,050	\$ 2,975	\$ 2,900	\$ 2,825	\$ 2,750	\$ 2,750	\$ 2,750

Water and Wastewater Flows
Gallons In Thousands
Last Ten Fiscal Years

Fiscal Year	Water	Wastewater
2015	773,239	179,367
2016	761,614	182,708
2017	772,950	202,446
2018	840,933	194,037
2019	881,908	194,029
2020	980,386	194,256
2021	905,874	198,012
2022	901,991	199,240
2023	941,641	200,158
2024	951,825	211,991

Source: Authority's billing records

Principal Water and Wastewater System Customers
Current Year and Nine Years Ago

Water							
2024				2015			
Customer Name	Units	Amount Billed	Percent Billed	Customer Name	Units	Amount Billed	Percent Billed
Willow Brook Apartments	20,853	\$ 108,934	2.31%	Clayton Estate MHP	27,201	\$ 128,051	\$ 3.54%
Clayton Estate MHP	17,576	88,669	1.95%	Willow Brook Apartments	15,910	79,070	2.07%
The Vue (Apartments)	12,154	61,281	1.35%	Locust Gardens (Mobile Home Park)	7,380	34,635	0.96%
1 Element (Apartments)	6,488	34,468	0.72%	Whitestone Village	5,958	29,157	0.77%
37 West (Apartments)	6,731	33,600	0.75%	Blue Ridge Regional Jail	5,947	28,908	0.77%
Whitestone Village	5,828	30,367	0.65%	Timken	5,223	25,619	0.68%
Buffalo Creek (Mobile Home Park)	5,424	27,071	0.60%	Deal Properties (formerly Woodside Associates)	4,829	22,755	0.63%
Runk & Pratt	4,868	25,444	0.54%	Spring Hill Suites	4,574	22,349	0.59%
Deal Properties (Apartments)	3,886	19,572	0.43%	Briarwood Village MHP	4,370	20,531	0.57%
Spring Hills Suites	3,692	19,379	0.41%	Buffalo Creek (Mobile Home Park)	4,249	19,968	0.55%

Volume and billing data are for period from July 1, 2023 through June 30, 2024. The ten largest customers together account for approximately 8.36% of total consumption and billings for retail water service.

Wastewater							
2024				2015			
Customer Name	Units	Amount Billed	Percent Billed	Customer Name	Units	Amount Billed	Percent Billed
Willow Brook Apartments	20,853	\$ 121,550	10.47%	Willow Brook Apartments	15,910	\$ 7,911	\$ 11.69%
The Vue (Apartments)	12,154	69,446	6.10%	Whitestone Village	5,958	29,986	4.38%
37 West (Apartments)	6,731	38,439	3.38%	Spring Hill Suites	4,574	22,485	3.36%
1 Element (Apartments)	6,488	37,150	3.26%	Wards Crossing West	3,457	17,155	2.54%
Whitestone Village	5,828	34,012	2.93%	Blue Ridge Regional Jail	5,947	29,212	4.37%
Runk & Pratt	4,868	28,030	2.44%	Lynchburg Partners (Shopping Center)	2,691	13,330	1.98%
Spring Hill Suites	3,692	21,212	1.85%	Runk & Pratt	2,689	13,248	1.98%
Hampton Inn & Suites	3,375	19,436	1.69%	F & C Properties (car wash)	3,124	15,380	2.30%
Wards Crossing West	3,148	18,538	1.58%	LCS Trust (Apartments)	2,736	13,694	2.01%
LCS Trust (Apartments)	2,474	14,438	1.24%	Rustburg High School	1,746	8,627	1.28%

Volume and billing data are for period from July 1, 2023 through June 30, 2024. The ten largest customers together account for approximately 22.15% of total consumption and billings for sewage service.

Expenses by Type
Last Ten Fiscal Years

Fiscal Years Ended June 30,	Source of Supply	Wastewater Treatment	Maintenance and Inspection	Personnel	Administrative and General	Depreciation and Amortization	Interest Expense and Bond Issuance Cost	Other Nonoperating Expenses	Total
2015	\$ 945,314	\$ 297,071	\$ 506,247	\$ 1,541,147	\$ 268,306	\$ 1,908,543	\$ 362,239	\$ 55,626	\$ 5,884,493
2016	971,798	373,047	689,437	1,604,052	306,142	1,568,618	323,607	37,682	5,874,383
2017	963,997	479,189	520,287	1,772,105	330,036	1,639,133	283,783	83,415	6,071,945
2018	1,017,163	410,573	742,976	1,823,995	350,045	1,633,583	242,707	39,028	6,260,070
2019	1,071,777	484,258	676,987	1,844,654	409,377	1,696,921	174,378	109,889	6,468,241
2020	1,111,218	461,679	594,878	2,002,322	365,031	2,254,833	143,015	79,086	7,012,062
2021	1,017,080	422,614	571,073	2,157,590	378,847	1,721,003	170,951	94,983	6,534,141
2022	1,008,807	448,169	645,766	2,255,802	487,275	1,739,044	63,418	138,299	6,786,580
2023	1,195,399	493,297	1,022,455	2,531,627	527,643	1,821,493	58,196	135,826	7,785,936
2024	1,219,845	695,299	888,067	2,874,288	551,221	1,824,334	57,304	130,315	8,240,673

Outstanding Debt by Type
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenue bonds payable	\$ 2,564,229	\$ 3,013,066	\$ 3,173,989	\$ 3,551,000	\$ 4,016,000	\$ 4,479,000	\$ 5,786,400	\$ 7,171,600	\$ 8,513,300	\$ 9,814,200
Notes payable	649,027	707,921	778,517	547,560	603,070	658,588	714,106	769,624	825,142	880,661
Total outstanding debt	<u>\$ 3,213,256</u>	<u>\$ 3,720,987</u>	<u>\$ 3,952,506</u>	<u>\$ 4,098,560</u>	<u>\$ 4,619,070</u>	<u>\$ 5,137,588</u>	<u>\$ 6,500,506</u>	<u>\$ 7,941,224</u>	<u>\$ 9,338,442</u>	<u>\$ 10,694,861</u>
Debt per capita	\$ 57.35	\$ 67.48	\$ 71.38	\$ 73.61	\$ 82.93	\$ 93.61	\$ 117.28	\$ 143.08	\$ 168.07	\$ 190.41
Debt as a percentage of personal income	N/A	0.14%	0.15%	0.16%	0.20%	0.24%	0.31%	0.39%	0.47%	0.54%

Notes:
Debt per capita was calculated based on population figures for the calendar year (CY) ending within the fiscal year (FY) obtained from U.S. Department of Commerce - Bureau of Economic Analysis for the County of Campbell. See Table 10.

Debt as a percentage of personal income was calculated based on personal income for the CY ending within the FY obtained from U.S. Department of Commerce - Bureau of Economic Analysis for the County of Campbell.

Data for Campbell County is combined with Lynchburg City.
See Table 10.

Revenue Bond Debt Service Coverage
Last Ten Fiscal Years

Fiscal Years Ended June 30,	Gross Revenue (1)	Direct Operating Expense (1)	Net Available	Required Debt Service Payments (2)	Coverage
2015	\$ 10,622,437	\$ 7,039,327	\$ 3,583,110	\$ 1,591,616	2.25
2016	11,859,549	7,065,088	4,794,461	1,588,732	3.02
2017	10,468,015	7,258,930	3,209,085	1,590,444	2.02
2018	10,157,613	7,466,035	2,691,578	1,518,283	1.77
2019	9,503,152	6,998,269	2,504,883	735,074	3.41
2020	8,352,183	7,424,822	927,361	587,481	1.58
2021	10,616,239	6,231,182	4,385,057	582,339	7.53
2022	13,468,052	6,550,530	6,917,522	509,302	13.58
2023	14,778,238	7,549,578	7,228,660	517,133	13.98
2024	12,699,624	8,010,145	4,689,479	561,065	8.36

(1) Amounts per Schedule 7 - Revenue Bond Compliance

(2) Including payments on revenue bonds and contracts payable

CAMPBELL COUNTY UTILITIES AND SERVICE AUTHORITY

Table 10

Demographic Data for the Service Area
Campbell County, Virginia
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (thousands of \$) (3)</u>	<u>Per Capita Personal Income (\$) (3)</u>	<u>Unemployment Rate (2)</u>
2024	56,028	N/A	N/A	N/A
2023	55,141	2,677,096	48,550	3.30%
2022	55,375	2,556,941	46,175	3.20%
2021	55,682	2,502,906	44,950	3.80%
2020	55,696	2,285,207	41,030	5.90%
2019	54,885	2,116,640	38,565	2.70%
2018	55,425	2,090,576	37,719	3.30%
2017	55,503	2,017,867	36,356	4.20%
2016	55,562	1,990,120	35,818	4.40%
2015	56,167	1,997,242	35,559	4.80%

N/A - Updated information not available

- (1) Weldon Cooper Center, University of Virginia
(2) U.S. Department of Commerce - Bureau of Economic Analysis, for Campbell + Lynchburg
(3) U.S. Department of Commerce - Bureau of Economic Analysis, Data
for Campbell County is combined with Lynchburg City.

Principal Employers in the Campbell Area
Current Year and Nine Years Ago

Employer	Industry	2024		
		Employees	Rank	% of Total Employment
BWX	Nuclear	1,000 +	1	4% +
Campbell County Schools	Public Education	1,000 +	2	4% +
Abbott Industries	Pharmaceuticals	500-999	3	2%-4%
Campbell County	Government	250-499	4	2%-4%
BGF Industries	Fiberglass fabric	250-499	5	1%-2%
Moore's Electrical and Mech.	Electric/Mechanical Services	250-499	6	1%-2%
Wal Mart	General Merchandise Stores	250-499	7	1%-2%
Food Lion	Grocery	250-499	8	1%-2%
Foster Fuels	Fuel Distribution	100-249	9	0.3%-1%
YMCA Inc Altavista Area	Fitness/Health/Education	100-249	10	0.3%-1%
Totals		4,250 +		17% +

Total employed 25,507

Employer	Industry	2015		
		Employees	Rank	% of Total Employment
BWX	Nuclear	1000 +	1	4% +
Campbell County Schools	Public Education	1000 +	2	4% +
Areva NP	Nuclear	500-999	3	2%-4%
Abbott Industries	Pharmaceuticals	500-999	4	2%-4%
BGF Industries	Fiberglass fabric	500-999	5	2%-4%
Campbell County Govt	Local Government	250-499	6	1%-2%
Moore's Electric & Mech.	Contractor/Electrical	250-499	7	1%-2%
Wal Mart	General Merchandise Stores	250-499	8	1%-2%
Timken Company	Automotive Parts	250-499	9	1%-2%
Schrader International	Transportation Equipment Manufacturing	250-499	10	1%-2%
Totals		4750 +		19% +

Total employed 15,900

Source: Employer data; Virginia Employment Commission

Number of Employees by Identifiable Activity
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Number of budgeted full-time equivalent positions:										
Administration (1)	6.0	6.0	6.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0
Water Treatment FT(2)	6.0	6.0	6.0	6.0	5.0	6.0	5.0	5.0	5.0	5.0
Water Treatment PT(2)	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0
Wastewater Treatment	2.0	2.0	2.0	2.0	2.0	2.0	3.0	2.0	2.0	2.0
Maintenance/Inspection FT (4)	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0
Inventory PT (4)	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Customer Service FT	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Customer Service PT (5)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Part Time or Temp	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	25.0	25.0	24.0	23.0	22.0	22.0	22.0	21.0	21.0	21.0

(1) Administration staff includes the Administrator and Operations Superintendent (these positions are no longer combined as of FY22), Utilities Engineer, Office Manager, Accounting Manager and Technology Coordinator. These positions have water and wastewater functions that vary per year and per position.

(2) Water Treatment employees work approximately 93% for the Central System and 7% for Naruna.

(4) Maintenance/Inspection/Inventory employees have water and wastewater functions.

(5) One of the Authority's Board members serves as security staff for cut-off days.

Operating and Capital Indicators
Last Ten Fiscal Years

		Fiscal Years Ended June 30,									
		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Water											
Size of watershed (square miles)		315	315	315	315	315	315	315	315	315	315
Raw water safe yield (mgd)											
Urban system		13.82	13.82	13.82	13.82	13.82	13.82	13.82	13.82	13.82	13.82
Miles of pipelines		197.90	197.10	195.40	193.59	190.00	185.00	184.00	184.00	184.00	184.00
Number of treatment plants		1	1	1	1	1	1	1	1	1	1
Number of pumping stations		3	3	3	3	3	3	3	3	3	3
Number of reservoirs		1	1	1	1	1	1	1	1	1	1
Number of finished water storage tanks		10	10	10	10	10	10	10	10	10	10
Maximum treatment capacity (mgd)		4.100	4.100	4.100	4.100	4.100	4.100	4.100	4.100	4.100	4.100
Water treated (mgd)		2.640	2.620	2.510	2.512	2.679	2.400	2.200	2.200	2.200	2.200
Unused capacity (mgd)		1.460	1.980	1.560	1.588	1.421	1.900	1.900	1.900	1.900	1.900
Percentage of capacity utilized		64.39%	63.82%	61.22%	61.26%	65.34%	53.00%	53.00%	53.00%	53.00%	53.00%
Wastewater											
Miles of pipelines		57.79	56.99	55.57	53.77	50.70	49.10	48.20	48.20	48.20	48.20
Number of treatment plants		1	1	1	1	1	1	1	1	1	1
Number of pumping stations		17	17	17	17	17	17	15	15	15	15
Maximum treatment capacity (mgd)		0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
Wastewater treated (mgd)		0.032	0.033	0.038	0.056	0.078	0.073	0.073	0.073	0.073	0.073
Unused capacity (mgd)		0.168	0.167	0.162	0.144	0.122	0.127	0.127	0.127	0.127	0.127
Percentage of capacity utilized		16.24%	16.30%	18.80%	28.20%	39.00%	36.50%	36.50%	36.50%	36.50%	36.50%

Notes: mgd = millions of gallons per day
Safe yield is a measure of raw water resources during a drought of record.

Water and Wastewater System Connections
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Water</u>	<u>Wastewater</u>
2015	7,866	2,327
2016	7,958	2,379
2017	8,036	2,421
2018	8,111	2,464
2019	8,197	2,500
2020	8,343	2,604
2021	8,570	2,778
2022	8,791	2,949
2023	8,966	3,078
2024	9,167	3,216



**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

**To the Honorable Board Members
Campbell County Utilities and Service Authority
Lynchburg, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of Campbell County Utilities and Service Authority as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Campbell County Utilities and Service Authority's basic financial statements and have issued our report thereon dated January 31, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Campbell County Utilities and Service Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Campbell County Utilities and Service Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Campbell County Utilities and Service Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Campbell County Utilities and Service Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Farnell, Cox Associates

Charlottesville, Virginia
January 31, 2025